

INSIDE: YAMANI'S NEW OIL PRICE STRATEGY

# Maclean's

MARCH 3, 1986

CANADA'S WEEKLY NEWSMAGAZINE

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## Showdown in Manila

**Philippine  
President  
Ferdinand Marcos  
faces a gathering  
storm**





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## The budget battle

In his new federal budget this week, Finance Minister Michael Wilson's challenge was to reduce the deficit without generating new economic and political troubles. —Page 8



## The new oil shock

While Saudi Arabia's Sheikh Ahmed Zaki Yamani flooded the international market with cheaper oil, deflating prices started to register at Canadian gas pumps. —Page 28

## COVER

### Showdown in Manila

Thousands of Filipinos thronged to two military bases in Manila to provide a human wall of protection for the leaders of a military revolt aimed at forcing the resignation of embattled President Ferdinand Marcos. But Marcos vowed to use loyal troops if necessary to crush what the rebels were calling "not a coup but a revolution of the people." —Page 14

COVER PHOTO BY AP/WIDEWORLD



## CONTENTS

Arts	7
Business/Special Report	26
Canada	8
Crime	42
Disaster	54
Editorial	3
Fetheringham	56
Letters	4
Living	58
Media	46
Newman	39
Photograph	4
People	16
Transportation	14
Videos	56
Weather	44
World/Conte	14



## Reaching for a renaissance

Leaders and experts of 36 French-speaking nations met in Paris last week to consider their common aims. But some difficult problems remained unresolved. —Page 21



## A dinner fit for a prince

During a celebration in Austin last week to mark Texas's 150th anniversary of independence, Prince Charles dined at a cowboy bar and dined on enchiladas. —Page 48





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Q&A: HARRY SOMERS

## A modern music man

Ever since his landmark opera *Leslie* had been first produced in 1967, composer Harry Somers has been a somewhat of a figure in the Canadian music scene. His prodigious output of hundreds of classical compositions ranges from orchestral works to choral adaptations of folk songs. Somers, 60, is the subject of a half-hour documentary, co-produced by CBC TV and the United States Public Broadcasting System, called *The Music of Harry Somers*. The film, selected for the CBC, is part of the network's participation in the International Year of Canadian Music. Assistant Editor Janet Wright interviewed Somers in Toronto.

**Maclean's:** How do you describe your music?

**Somers:** I feel like Paganini the violinist—I am what I am and that's what I am. I write according to what the demands are, sometimes for educational purposes, for church choirs or small orchestras. Then there is the music I have written for television and theatre. Limited by the demands of the

medium, I will use any style that I have to, to give mood or shape to the visual element. You know, in the 19th century the most popular works are those which have been connected with a visual medium. The life of *Symphony* by Rimsky-Korsakov caused a riot in 1913. Then, 20 years later it was heard in Walt Disney.

**'There are only two kinds of music: popular and unpopular. I always call myself an unpopular composer'**

my *Pastorale* by violins who did not raise a whimper, because the whole thing was interpreted for them classically. If you have a visual medium, the sound is always secondary and so you can write anything.

**Maclean's:** Where do the ideas for your music come from?

**Somers:** I don't place any restrictions or

limitations on myself. I pursue a certain direction, perhaps, such as the exploration of the voice or my reaction to various techniques such as the rag in *Blues*. I don't use music—and I see how I can translate that into my own terms. So it comes from my own response. I just follow my own.

**Maclean's:** Do contemporary audiences feel alienated from modern music?

**Somers:** I think there are only two kinds of music: popular and unpopular. I always call myself an unpopular composer. But I would call Benjamin Britten a popular composer. In the United States you have people like Philip Glass, who has a large following, kids who love the rock stuff go to his concerts. But the more modern composers would think that something was wrong if their work was popular or accepted with critical approval.

**Maclean's:** How composers always had a low profile?

**Somers:** Debussy said when he was a critic in Paris, 'It is obvious that the only good composer is a dead one.' But the repertoire goes on and, in the market, it is not the composer essentially who is primary, it is the performer. The audience is attracted by the personality and excitement of the performer. People go to see a soloist. I think to see the musician.

**Somers:** In the old days he was New,

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they have to say, "This just a humble servant of the state at about \$40,000 a crack." But they are the stars. You go to hear [soloists Pinchas Zukerman or Itzhak Perlman. All you do is sit up the note and you fill a house I don't think contemporary composers brought them that. But a vast revolution is occurring now in the electronic field. You can do it yourself. You don't have to go through anybody else, you just have to command your equipment. And it is gradually eating out the commercial musician, because they can literally synthesize the orchestra. Mostly I just hear song, but the potential is there.

**Mackenzie:** Can you describe the music of other Canadian composers?  
**Somers:** Well, we are not working with big commercial returns. For that you either have to be in the popular field or in film—and there are brilliant musicians in the commercial field. Murray Schafer works in an area which is poignant, exquisite. Oskar Morawetz writes in a style a little more related to an earlier period—the developments before the Second World War—where you can readily recognize melody and harmony. John Weinberg—I think of him as a person who makes music. He creates small units of sounds which he turns around and around—like someone taking an object and continually rotating it and you see it in all different lights.



Somers: like Popeye the sailorman

**Mackenzie:** How long did it take you to write *Levin Hill*?  
**Somers:** Three years. But Levin Hill had a deadline. The great thing about Hill was that we used to meet as a team—the conductor, director, playwright. I would explain to them where I was going, which very often was a great mystery to everybody. I would hammer, test, whistle, sing, hit the piano, and then look up with a look of absolute radiant joy and just see black eyes. Then I'd say, "Well, you'll get the film."  
**Mackenzie:** What do you think when you look back over your work?  
**Somers:** There are certain pieces I think that stand up over the years. Something like *The Five Stages For Dark Vase*. I think still communicates. You've got to be careful because you can be sentimental and think, just because you wrote it, "Oh isn't that beautiful, so moving, so lovely." Poor Beethoven absolutely hated those pieces of his that became popular, and I think the worst was *Audra*, which he said was a student's exercise in orchestration. He just wanted to see if you could build up interest by repeating this bloody rhythm and take long enough. And then, lo and behold, it is what made him world-famous. It was the same for Beethoven itself with that *Prelude in C Sharp Minor*. If he knew it once more, he would have gone crazy. ☐

## FOLLOW-UP

# A victim's struggle

It's the three years she had worked as a part-time clerk in a Mississauga, Ont., convenience store, it was the first time that Barbara Turnbull, then 38, had agreed to work late into the evening. Alone in the store shortly after 11 p.m. on Sept. 25, 1983, she turned to serve several customers who had just come in. One of them, she later recalled, "came over right away and just fired." A bullet fired from a 38-calibre gun crushed Turnbull's spinal cord, leaving the well-tired high school student permanently paralyzed from the neck down. Last July a Brampton court sentenced 35-year-old Hugh Lepore to 15 years in prison for attempted murder and armed robbery. His brother Savelle, 36, received 12 years while a friend, Warren Johnson, 33, was sentenced to 12. But for Turnbull, now a first-year English and psychology student at the University of Toronto, the struggle to overcome her handicap continues. "I try not to think about that," she said of the shooting. "I try to put it out of my mind."

That struggle has made the quiet-

spoken, determined young quadriplegic the focus of public sympathy. Turnbull, temporarily lost her ability to breathe, forcing doctors to place her on a life-support system. Fighting infections, she lay for five months at Toronto's Sunnybrook Medical Centre while a bone graft to her spine healed. But throughout her recuperation Turnbull's fighting spirit amazed her medical team and family. At Toronto's Lyndhurst rehabilitation centre, where she completed her high school studies, Turnbull learned to manoeuvre on, electric, wheelchair by pressing her head against pressure-sensitive controls and to operate a computer keyboard with a stick held in her mouth. Turnbull lives with her mother in a bungalow equipped with an elevator

for her wheelchair. She requires round-the-clock assistance at a cost of more than \$2,000 each month. "My case had a very high profile and I received numerous compensations from both the Workers' Compensation Board and the Criminal Injuries Compensation Board," said Turnbull, who now receives approximately \$2,500 a month. "Still, it will not allow for what I might have done with my life."

Her tragedy has made her determined to speak out for the rights of other victims of violent crime. Seed Turnbull "Society's focus on the victim is usually misdirected. We have to find a better balance." As a member of the Board of Directors of the Ontario branch of the Canadian Paraplegic Association, she will also join the organization's March campaign to raise funds for spinal cord injury research. "It took me two years to overcome the difficulties," she said, "but I have control of my life again, and it's time to help others in my situation."

—ANN FENLERTON in Toronto



Turnbull fighting spirit

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## DATeline: WUHAN

### Return of the pedlars

**I**n a street crowded with nearly 5,000 sidewalk entrepreneurs, Yui Xiao has proven her worth as a businesswoman. She runs a modest stall on a thoroughfare in the central Chinese city of Wuhan known as Huxi Street (The Street of Little Things). It is an appropriate name for an alley where private entrepreneurs sell the small but indispensable household goods that the city's residents cannot find in larger state-run stores and markets. Yui, 40, has earned a small fortune—by Chinese standards—in a private venture under the liberal economic reforms introduced in 1981 by China's pragmatic leader, Deng Xiaoping.

Her career began four years ago when she accidentally broke the glass bar of her thermos bottle, a ubiquitous item used for storing boiled drinking water. She found the item impossible to replace in Wuhan but learned that she could import them from another province, where they were plentiful. Although she had never been in business before, she ordered 35 dozen and took them to the Street of Little Things to sell. Branded Yui, "The beers sold out in two or three days. I was surprised."

Yui's experience is similar to those of other entrepreneurs on the 2½-km street. These workspaces is a road that curves down through the bustling city of Wuhan, 300 km west of Shanghai, on the Yangtze River. The city is known for its industrial base and its role as a distribution centre for the rapidly developing nation. Like other Chinese cities, the nation's fifth most populous urban area has witnessed an economic revolution under Deng.

Part of Deng's program of introducing market forces to an economy stifled by socialist central planning has involved allowing private enterprise on a small scale. Ordinary Chinese have responded by abandoning the once-dead street with private stalls in which they have opened businesses. Yui, for one, was enthusiastic about the changes sweeping a station where 10 years ago private merchants were outlawed. She Yui: "I own two aluminium pots, a refrigerator, a washing machine, and two tape recorders—expensive tape recorders—and a camera. I have an open mind and I don't feel guilty."

Still, vendors like Yui say they are aware of the influence of less business-minded neighbors and the political embarrassment of growing too wealthy too quickly. As a result, the



Yui in her outdoor stall. "I don't feel guilty."

new merchants try not to flaunt their newfound affluence. Yui boasted that her earnings are minimal compared to merchants in the industrial regions in the West. And she added that it is still impossible to attain a Western standard of living. She declared: "Compared with workers and cadres in our country, I am 500 times richer."

The struggle for existence on the Street of Little Things has mirrored the difficulties and changes of modern China. After the Communist revolution in 1949, then-leader Mao Zedong allowed the street to open only as a co-operative market. But the political chaos of the Cultural Revolution during the 1960s and 1970s, when extreme leftists took control of the Peking government, closed the street. It took Deng's ascendancy in the late 1970s to bring the small vendors back. Three years ago there were 240 businesses on the street. Now, there are 3,878 registered with Wuhan's business administration bureau. The majority of businesses are privately run. Shen Chang Mei, director of the bureau, said that when private stalls began to boom in the early 1980s local officials launched an investigation into the political acceptability of the free market. But with Deng's growing influence, they have begun to accept the development, and the program has

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sprend throughout the country.

The festivities at the street reflect the buoyant mood in China. Home-made stalls displaying both sides of the street display black shirt handbags. Shocking pink sweat pants—worn for warmth underneath trousers, not for fashion—sell for the equivalent of a dollar. Merchants shout their sales pitches to customers searching for bargains. One of Yu's competitors, 66-year-old Shen Huan-jin, presides over a table laden with candy, plastic top hats, whistles, zippers and safety pins decorated with seagulls. Like most of

the peddlers, he was unemployed during the Cultural Revolution. Since July 1984, when he came to the Street of Little Things, his monthly income has been approximately \$85 to \$100. Shen is becoming rich. Said Shen: "Rich is having enough money to live."

In contrast to the busy street, Wuhan's state-run department stores resemble lifeless mannequins on the Wuhan skyline. They offer simple Chinese-made clothing, often in drab colors and old-fashioned styles. There is little variety in the housewares or hardware departments, while small gift

items are rarely in stock. Inside the gloomy and cavernous trading halls customers peer at merchandise obscured behind scratched and stained glass display cases. The indifference of the store clerks is in contrast to the eager hawking in private markets that often ring China's large cities and towns.

Aggravated by the lack of goods and services providing vendors with lucrative incomes, Chinese officials say that markets such as the Street of Little Things are providing a valuable service to the nation. According to Lo Tang Hong, a Wuhan University journalist, he never who has studied the economy of the street, the marketplace act as "a medium connecting the city, the big factories and the countryside." Many of the street's customers travel from rural areas, where even the simplest consumer goods are in short supply. They ride bicycles laden with as many as 30 children for sale to Wuhan's farmers' markets, then ride home again with valuable manufactured items. Some of them offer the goods for resale in remote areas. Declared Lo: "A couple of years ago it was impossible to have this kind of prosperity."

As Deng's political power base continues to spread into every local administration, the future of his program of change appears assured. And while merchants such as Yu are aware that China's market history has been secured by big and erratic political shifts, they say that they remain enthusiastic about their future. Yu has even invited in new lines of merchandise. Recently, she purchased substantial amounts from a government export enterprise that wanted to get rid of these. Said Yu: "I thought the rejects, sold them at home and made a success."

The occupants of the Street of Little Things own their own home—45-year-old Shen Jia Shen. Known as the "pockmarked blind man," he is, by many, a symbol of Chinese patience and ingenuity. Shen lost his sight to smallpox as a child but became a successful businessman selling sewing machines and fishing tackle. When private business was outlawed under Mao, Shen carried on clandestinely, employing a band of blind workers to shingle goods back and forth between Wuhan and the countryside. Although he was imprisoned for 10 months for his illegal commerce during the Cultural Revolution, he was released to the street in triumph. Now, he sells bedclothes and bolts of fabric. Wuhan University's Lo appeared to reflect official Chinese policy when he described Shen recently: "He is great, really brave-minded. And noble."

—WANCY BURNHAM in Wuhan

## COLUMN

# A difficult choice of tyrannies

By Barbara Amiel

**T**he recent events in the Philippines create an agonizing dilemma for people who support democracy. The election held by President Ferdinand Marcos may not have been the most fraudulent election in the world, since he was re-elected, but it was inevitable. Anyone with an understanding of history knows that by supporting Aquino, endangered and most likely ineffectual anti-totalitarianism of the left, we would allow her country to end up in the hands of Communists—a worse tyranny than that of Marcos and one that would be hostile to the West. There are few exceptions in Africa or Asia to this sequence. So what should the United States do in this situation? Should the Philippines have the West support a Marcos?

The natural ideological ally of the United States and the free world is Corason (Cory) Aquino, leader of the opposition. Aquino is unquestionably a supporter of liberal democracy. But the tendency of the Western press to over-emphasize those opposing dengelos has unfortunately elevated Aquino to within spitting distance of deification and ignored such trenchant drawbacks as the national which would have to state that the most period Communist in her government, provided they renounced violence. But from a moral point of view, if one is a liberal democrat, there is no question that one must support Aquino.

In the past the Philippines has been a friend and firm ally of the United States. Without bases in the Philippines, the balance of power in the Pacific would be altered against the West. But Marcos is a tyrant. Aided by the spectacle of his corruption, the Communist New People's Army is a growing force in the Philippines, with at least 12,000 well-trained insurgents. Why, then, is the United States reluctant to support Aquino? True, Aquino faces a plotters on whether to keep the base, but this would likely go in favor of maintaining a U.S. presence.

The dilemma is that if history teaches us anything, it is that to support Aquino is to assure delivering the Philippines into the hands of the Communists, which would mean a regression to the phenomenon described by Jean-Paul Sartre in his book *The Existentialism of Man*, namely, that the formula for a successful communist coup by totalitarianism of the left or right is to find a country with a totalitarian dictatorship, followed by a period of short-bred, weak despotism that can be taken over by Communists or Fascists.

This, of course, was how Hitler came to power. The absolute monarchy of Kaiser Wilhelm was followed by the Weimar Republic, which was followed by the Third Reich. It is the story of Nicaragua, from the dictatorship of Anastasio Somoza to the interim com-

mon front that excluded democrats Fidel Castro, Alfonso Belloso and the Roman Catholic Church, all exiled or persecuted and replaced by today's Communist party headed by Daniel Ortega. It is the story of Cuba as well.

In the case of the Philippines, while Aquino himself would undoubtedly oppose such a result, the result seems inevitable. Anyone with an understanding of history knows that by supporting Aquino, endangered and most likely ineffectual anti-totalitarianism of the left, we would allow her country to end up in the hands of Communists—a worse tyranny than that of Marcos and one that would be hostile to the West. There are few exceptions in Africa or Asia to this sequence. So what should the United States do in this situation? Should the Philippines have the West support a Marcos?

There are three options open to us. The first response is to say interpo-

**To support Corason  
Aquino is to assure delivering the people of the  
Philippines into the  
hands of the Communists**

ally that all tyrants will be our enemies. We are liberal democrats and would never give up our bases, sooner deliver a nation to what we know will eventually be a worse tyranny, than be forced of any tyrant. This problem with this response is that we not only abandon people to totalitarianism but we also imperil ourselves by permitting the spread of hostile regimes.

The second response is to say that we do not live in Utopia. We acknowledge that authoritarian tyrants are preferable to totalitarianism. Authoritarian regimes, such as Chile or the Philippines, have an intrinsic state and police presence, but they concede a whole range of private activities. Citizens don't surrender to such an authority or city or to one who. Totalitarian regimes, such as the Soviet Union or China, regulate every aspect of life. Further, we note that our tyrants are not only our geopolitical friends but they are better to the people they tyrannize than the alternative. What if the Shah of Iran's secret police did not begin to match the number of execution under the Ayatollah. Given the

choice between two evils, we will continue supporting friendly tyrants.

This second choice is to see the United States has more or less emulated. The problem with it is that the West has such ambivalence—rightly—about supporting authoritarian regimes which offend our concepts of liberty and human rights that it is never given those sufficient support. We try to push reforms that inevitably undermine them—such as the Shah in Iran. In the end, these regimes cannot stand up by themselves and, as they fall, we are faced with their misdeeds.

The third choice, which has never been tried, is to back supporters of liberal democracy in every country. Instead of giving half-hearted support to friendly tyrants, we give unequivocal unshuffled backing that if any liberal democracy threatened by a leftist (or rightist) tyrant, we will come down on it like a ton of bricks.

This means settling up the West as the moral police of the world. The problem with this is that it involves on military Western forces all over the globe. It means that we will have to tell our citizens that, while we will never ask them to put their lives on the line for a President Ngo Dinh Diem or Vietnam or a Marcos, we will expect them to see Aquino from a Communist takeover.

But this third choice entails new sacrifices and considerations which, to me, is the most crucial of all. The problem with trying to establish liberal democracy in places like the Philippines or Iran is that it fails to take into account the fact that these are many political and cultural traditions in this world under which people may prefer to live rather than under democracy. Democracy is easily the best and most moral form of political organization, but it is a difficult thing to establish. It requires special institutions and homogeneous values. And even if our own people were willing to sacrifice their lives to establish democracy, we would have to ask the Iranians or Filipinos, who would bear the brunt of fighting, if it was worth it to them. It may not be. War is a horrible business.

This column has no answers. It seeks to do one thing: to suggest that before we outstage the United States for warring over what is in the Philippines, we should first ask the agency for the tyrants. The alternative is that they require iron in our souls, and a choice between rivers of blood.



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# Wilson's budget battle

For months Federal Finance Minister Michael Wilson looked despondent. Sitting in the Commons, frequently frowning, he answered opposition questions with a mixture of boredom and disdain. But in January, when the dollar began falling, interest rates started rising and the business community began complaining (the 40-year-old former Toronto merchant traded), As the government launched an aggressive assault to defend the dollar and announced new cost-cutting measures, Wilson suddenly began promising to introduce "a tough budget." Word quickly spread that Wilson was more robust because he had finally convinced cabinet colleagues that decisive action must be taken to tame the \$30-billion monster known as the deficit. Said Conservative Senator Lowell Murray, chairman of the Senate banking committee: "The falling dollar has deflated the argument that we can go along with a big deficit."

The hundreds of pages of statistics, charts and political rhetoric that Wilson prepared for this week's budget will prove whether the government was truly motivated to tackling the deficit or merely putting on a probudget show to mollify the business community. But some business leaders appeared convinced in advance that Wilson had won the support he needed to introduce measures that would top at least \$4 billion—possibly more—from the deficit. Thomas d'Agnone, president of the national Business Council on National Issues, said the dollar's fall threatened the business community's lack of confidence in the government and "helped Mr. Wilson win the battle in cabinet that otherwise would have been very difficult to win."

Wilson's budget wars, according to some government sources, were primarily won by Health and Welfare Minister John Rop and Employment and Immigration Minister Flean MacDonald—the minister responsible for the bulk of the government's costly social programs. Even Mulroney has appeared worried about drastic belt-tightening measures. In December the Prime Minister said, "You can't just come in here with an axe and start chopping away indiscriminately at ser-



Wilson: seeking reinforcements in the campaign against the federal deficit

vices to people." But as budget day approached, Mulroney's tone changed. He declared, "Our opposition to the deficit, our determination to reduce it or eradicate it is, and will be, ineluctable, unyielding and successful."

Although Wilson faced conflicting pressures from competing interest groups, there was wide consensus on many points. There were repeated calls to reduce the federal deficit by curbing corporate tax breaks and the costs of running government programs, rather than by raising taxes and chopping social programs for the

poor. As well, many lobbyists demanded an overhaul of a bewildering tax system that often gives with one hand and takes away with the other. Donald Johnston, the Liberal's senior finance critic, said he would not want to bring in "a budget with the present tax system" because of all the loopholes and contradictions.

The majority of the public appears to agree. A Gallup poll commissioned by the New Democratic Party in January showed that, among 857 decided respondents, 84 per cent believed the current tax system is unfair. The NDP's

major budget statements requested disclosure of how much each loophole—Finance calls them tax expenditures—costs the Treasury. Among the tax breaks the NDP wanted eliminated: a \$600,000 lifetime capital gains tax exemption introduced in last May's budget and applied in cost Ontario more than \$500 million this year. Said Nelson Ellis, NDP finance critic: "Conservatives are angry about the chaotic

state of those problems were highlighted in a report last week from the Conference Board of Canada. The Ottawa-based private study group predicted that, while the economy grew by a respectable 5.4 per cent last year, it is expected to slow to two per cent in 1987. Ontario led the country last year with a gross regional domestic product of 5.2 per cent, while British Columbia, Saskatchewan and the Atlantic provinces lagged far behind the national average.

Confronted with uneven growth patterns, some businessmen have modified their aggressive lobbying for corporate handouts. Said d'Agnone: "Business, the beneficiary of about 12 per cent of federal program spending, must learn to share of the burden." In Quebec, Dale Burtin, a spokesman for the Canadian Federation of Independent Business, pressed cuts in the tax-exemption loaner program and trimming \$3 billion from the business incentives offered by the department of regional industrial expansion. Said Burtin: "We are entering into a new era of tough choices, a time of serious trade-offs."

Parliament's auditor general, Kenneth Dye, has estimated that the various loopholes available to business and high-income taxpayers cost the federal treasury between \$30 billion and \$50 billion a year each year. There was widespread speculation that Wilson planned to recapture more than \$1 billion of those funds by changing two tax provisions: one allowing individuals a tax exemption on the first \$100,000 of annual interest earned on savings and investments, the other allowing companies to write off three per cent of their inventories against taxes.

But many of those allowances, known as tax expenditures because they amount to government payouts, encourage industrial expansion and employment. Steve Hays, founder of Montreal-based Cencel-Ars, a high-tech manufacturing, testing, verification and air-conditioning equipment, has seen his firm almost double in size in five years and partly credits government incentives and grants. "Budgets are our lifeline," said Hays. "No one wants a government that takes away what it's right back into research and development."

In recent weeks Wilson provided few

clues publicly about his budget, except that it would hastily continue existing policies designed to stabilize the dollar, reduce interest rates and generate employment in the private sector. Mulroney has learned that Wilson asked his department to investigate, possibly for a future budget, the viability of introducing a "tax credit" aimed at freeing more low-income people from paying income tax. But there were no hints of improving federal social programs. Said one Tory official: "Epp and MacDonald have had to fight like hell to get anything and found it most difficult. Some Conservative are admitting that they feared unpopular tax increases, say that last year would have been a better time to crack down. And former Liberal finance minister Marc Lalonde told Mulroney: 'They missed a tremendous opportunity in the last budget, just after the election. I don't know if they can catch up.'"

The Conservatives tried to be tough in some areas last year, mainly by increasing sales taxes and reducing protections against inflation in retirement pensions and family allowances. But a public backlash against the pension proposal forced the government to retreat. The Conservatives lost doubly—first by appearing to penalize the elderly and later by succumbing to public pressure. Said Raymond Charbonneau, the Liberal's associate finance critic: "I hope that [Wilson] learned his lesson last year."

But for Wilson, the major challenge is to reduce the deficit in measured steps without pushing the economy into a tailspin. Expected to total almost \$34 billion in the fiscal year that ends on March 31, the deficit represents the amount that the government must borrow to cover the gap between revenue and the \$146 billion in planned spending. The elimination of annual deficits has naddled Canada with a public debt of about \$254 billion. Paying interest and servicing charges on the

debt was expected to cost the government about \$26 billion this fiscal year. Still, Wilson's public statements in the past few months about the need to tame the deficit had often been less aggressive than Mulroney's. These cautious signals have given the government's credibility within the business community and among ordinary vot-



Johnston: underdog

CHAPMAN

ers. Typically, Eric Novak, a farmer near Roset, Sask., says, "What bothers me is the way governments waste our money."

Economists concluded that a lack of confidence in the government was a prime factor in the downward pressure on the dollar's foreign-exchange value early this year. The result was a dramatic rise in interest rates as the government borrowed funds to counter the pressure. Until then the government's economic report card had been largely positive. The unemployment rate dropped to 9.6 per cent in January from 10.5 per cent at the time of last May's budget. Inflation was stable at four per cent annually, and the trend-setting Bank of Canada interest rate stood at a manageable 9.25 per cent in mid-December. The bank rate has since climbed three percentage points, with a resulting rise in mortgage and consumer borrowing rates. Robert Novak, treasurer of Ontario's Liberal gov-

ernment, the economically depressed Atlantic provinces pushed for an increase in the equalization payments given the poorest provinces and more tax incentives to attract businesses to their region. Most provinces also urged Ottawa to abandon plans to trim transfer payments for health care and postsecondary education by \$2 billion at the end of the decade. Lamented Ontario's Novak: "I just don't know where I will get the money to finance hospitals and education."

Like the provinces, many of Canada's 13 million unemployed were pessimistic about what the budget would bring. Derek Brown, who was laid off last December from a nuclear fabricating plant in Trenton, N.S., felt the government should resurrect earlier work programs to reduce the welfare rolls. David Brown: "At least if you have a winter works program, they are getting company work done." But there was no indication that the unemployed



Novak: conflicting signals for the business community and ordinary voters

ernment, cited a boom in the mortgage-dependent construction industry but said, "There is nothing like 13-per-cent interest rates to put a wet blanket on that."

In an effort to demonstrate frugality, the government announced cost-cutting measures even before the budget. The exhibit temporarily froze all discretionary expenditures to prevent the annual spending binge in February and March by government departments, leaving only necessities in their yearly budgets. Two hundred jobs were to be eliminated from the fisheries department. Initiatives were announced to cut back the almost \$3 billion spent annually in administering regulatory control of everything from the standards of baby cribs to the quality of the environment.

Meanwhile, the provinces, though supporting deficit control, made curty

would restore new direct benefits. Patrick Johnston, executive director of the National Anti-Poverty Organization, harbored few hopes for the long-term future of the poor. His cited data from Statistics Canada showing that the income of the richest 20 per cent of Canadian families increased marginally between 1981 and 1984, whereas the income of the poorest 20 per cent decreased 13.5 per cent during the same period. And Wilson's last budget, which increased sales and gas taxes, only exacerbated the disparity. Said Johnston: "If they don't try to compensate for that, it will make the gap between rich and poor even worse." This week, with all of Canada watching Michael Wilson, the challenge was to set the measure of that gap.

—PAUL GENESSEE with JILLARY MACKENZIE in Ottawa and corresponding reports

## Lalonde raps John Turner

I was a private evening designed to meet friends. On Feb. 4, Liberal leader John Turner invited Jean Chrétien to dine at Stornoway, his old-fashioned Ottawa residence. Over a three-hour meal the two rivals in the 1984 party leadership contest resolved to settle behind Chrétien campaigner Jacques Gosselin for the vice-presidency of the federal Liberal party's Quebec wing.

Chrétien left Stornoway convinced that both also supported former Quebec premier François Fox for the Liberal party's Quebec wing. Fox, a former party leader, was elected on March 2. But hours later Turner telephoned Fox and persuaded him to withdraw. That call revived tensions between the Turner and Chrétien factions of the federal opposition party and placed Turner's political judgment in question. Former finance minister and Liberal power broker Marc Lalonde told *Maclean's* last week: "You don't put your nose in that sort of game. It's just asking for trouble."

With Fox's withdrawal, Turner had paved the way for Quebec City lawyer Paul Rouleau, 37, a Turner loyalist, to run unopposed at the annual meeting in Quebec City. Some party members said Turner was concerned that a showdown between Rouleau and Fox—even as the Chrétien candidate—would split the Liberals. But one Turner associate said privately that Fox had been wronged. When Robert Stornoway's provincial Liberals asked Chrétien to run in the Dec. 2 Quebec election that returned Stornoway to power, Turner's office had indicated that Fox should decline because he was favored for the Quebec premiership of the federal party. Lalonde, for one, was irate over Turner's intervention. Said Lalonde: "The other day, one of the Queens of Canada. It is not an issue of such momentous importance that the leader of the party should get involved."

At work's end, Turner was under pressure to close the rift in the party or else try to isolate the Chrétien dissidents. Said former party director Ruar Williams: "The situation requires real professionalism from the leader and those around him. They had better get their act together." For his part, Lalonde last week seemed to be in no mood to accept any sort of reconciliation. Said Lalonde: "I don't like what happened but I don't need a lollipop."

—JILLARY MACKENZIE in Ottawa with ANTHONY VALLIN (STYL) in Montreal



Draps and wife, Marie-Claire: "It is normal I will have to leave one day"

## A choice for Drapsenau

Since Joseph Jean Drapsenau was first elected mayor of Montreal at age 28 in 1964, Canada has had seven Prime Ministers, Quebec and Ontario have had different premiers. Except for an interregnum from 1967 to 1969, when the late Liberal Senator Santa Fe Foster served a single three-year mayoral term after an election marked by violence, Drapsenau has ruled Montreal over the years with a shrewd combination of the common-sense touch and the politics of grandeur. But last week, as Drapsenau marked his 70th birthday in fragile health, he hinted that he may be preparing to relinquish the office he has occupied for more than 28 years. In a rare radio interview recorded at a private birthday party, Drapsenau added, "It is normal I will have to leave one day or the people will force me to leave."

Drapsenau's impact—in Canada and around the world—has been more dramatic than that of many of his political contemporaries, now retired from higher office. He has endured the bad times of separatist Quebec violence and the flight of business in the 1970s to preside over Montreal's recent economic recovery. He has glared in the high times of Montreal's Expo 67, the 1976 Montreal Olympics and an eclectic series of international festivals and exhibitions celebrating fireworks, Pablo Picasso, jazz and ancient Egypt. He has survived accusations of antiregionism and been widely praised for declining to answer to his city council, to the press—or to the dating vet-

are who have returned him to power in seven straight elections.

Despite the growing impatience with his autocratic style, the maturing of a civic opposition and his own health problems, many Montrealsers believe that Drapsenau could win the next city election on Nov. 9. But even his friends are uncertain. Said Montreal transit official Gerry Sapiro, a former city councillor who is close to Drapsenau: "I would say there is a 60-per-cent chance Mr. Drapsenau will run again." But Sapiro and other associates say that Drapsenau will not run—and will choose a successor to lead his Civic party by May or June—if he believes he could not complete another four-year term. Said community consultant Sid Stevens, also a former councillor allied with Drapsenau: "He has always said that becoming a term is like setting out on a trip. If you can't make it all the way to your final destination, don't start the trip."

Drapsenau, the swift, free-foot, slick lawyer from Montreal's modest Rosemont neighborhood, rose to prominence practicing criminal and real-estate law. From the beginning of his mayoral tenure he made his destination clear: making and maintaining Montreal as a world-class metropolis. To that end, Drapsenau has been a tireless promoter, even after a stroke and a broken hip in 1982 slowed him down. Then, last Dec. 15 he fell in his office and crushed a vertebra—an injury that has further restricted his activities. But in his birthday interview with

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# CARE

CARE CANADA, A MEMBER OF CARE INTERNATIONAL, IS  
RELYING ON MORE THAN 500 VOLUNTEERS IN CANADA.

Montreal radio station after 60, Drap-  
seau stressed that his title party  
will carry on his policies "with me or  
without me," said Drapseau. "The party  
is there. It shows no sign of  
weakness."

Still, the opposition Montreal Citiz-  
ens' Movement (civic) insists that the  
end of an era is near. At the last mu-  
nicipal election in 1982 Drapseau failed  
for the first time in 25 years to win a  
clear majority. He still won with 48.3  
per cent of the vote against two oppo-  
nents, in an election notable for the  
biggest turnout in Montreal's history—  
80 per cent of the 300,000 eligible  
voters. But the opposition on the 57-  
member city council increased to 18  
from two since then, one opposition  
faction has collapsed, and the remain-  
ing challenge, the MCM, has doubled its  
membership to 7,000 in the past  
year. MCM leader Jean Doré, 49, is a  
charismatic labor lawyer who served as  
a Parti Québécois press aide to René  
Lévesque in the 1970 provincial elec-  
tion. Since he won 31 per cent of the  
vote against Drapseau in the last mu-  
nicipal election, Doré—who once he  
now supports no provincial or federal  
party—has quietly moved the MCM  
closer to the political center from its  
leftist roots. Declared Doré "In the  
eyes of most voters, we have made the  
transition from being an opposition  
pressure group to a mainstream, viable  
alternative."

At the same time, the Civic party's  
its membership confined by Drapseau  
to present councillors and former can-  
didates—lacks a clear idea of who will  
lead it in the election. Speculation  
about potential successors to Drapseau  
has centered on Roger Landry, publi-  
cist of the daily *La Presse*, and Ray-  
mond Gauthier, Quebec finance minis-  
ter from 1970 to 1976 and now Liberal  
MP for Montreal's east-end-Rapids.

Drapseau's electoral successor is ex-  
pected to turn City Hall's attention to  
wrecking industry and neighbor-  
hood projects—if only because it  
would be difficult to equal Drapseau's  
flair for selling the spectacular and  
shrugging off criticism when things go  
wrong. Almost six years ago a judicial  
inquiry found the "greater part of the  
blame" on Drapseau for cost overruns  
of more than \$1 billion on the 1976  
Olympic Stadium, which only now is  
turning its extensible roof and the  
tower to hold it completed. Drapseau  
once said that he would answer the in-  
quiry's charge, but to date his only re-  
sponse has been to compare his city to  
the grandeur of ancient Athens. Said  
Drapseau: "Two thousand five hundred  
years ago, Pericles, too, was accused  
of building the Acropolis."

—ANTHONY WILSON SMITH in Montreal

## NATIONAL NEWS

### An election penalty



Masse, redoubled

Last September an athen-bound  
Marcel Masse stained the  
House of Commons when he  
graciously announced his resignation  
as conservation minister  
pending the outcome of an MNP  
investigation into alleged spend-  
ing violations during his 1984  
election campaign for the Que-  
bec riding of Frontenac. Two  
months later a redoubled Masse  
returned to cabinet. But three of  
his campaign workers and  
the Montreal-based campaign-  
firm Lucien Inc. were charged  
under the Canada Elections Act. Last week Lucien—which  
Masse served as a director from 1974 to 1984—pleaded guilty to  
these charges of making illegal contributions to the minister's  
campaign. Montreal's Journal *Le Soleil* fined the firm  
\$2,000 for court costs for making campaign payments of \$5,500  
without proper record-keeping. The minister's third agent, who  
is required by law to handle and record all contributions and  
payments. Campaign organizer John Vincent and Gilles Hénault,  
who assisted Masse's election return, face related charges. This  
week, and campaign worker Martin LeBel will appear in court  
on April 14.

### Evictions for Expo

Vanover's downtown east side, which borders the Expo 86  
site, is a neighborhood of boarding houses and low-cost  
residential hotels that shelter mostly elderly single men  
living on old-age pensions and welfare. During the past five  
years roughly 1,000 area tenants have been evicted from their  
homes because their landlords want to renovate and charge  
substantially higher rates in anticipation of the estimated  
\$4.5 million tenants expected to flood the city this summer  
during the world transportation and communications fair.  
Furthermore, and Jim Green, an spokesman for the Down-  
town Eastside Resident's Association (DERA), as many as  
1,500 more tenants who are not protected by the Residential  
Tenancy Act will probably be evicted soon. Green said that  
about 30 proprietors whose he telephoned anonymously said  
that they were planning renovations and that higher rates  
would be in place by Expo's May opening. The West Block, for  
one, said that its new nightly rate will be as high as \$65,  
compared with its current rate of \$24.00. DERA officials  
planned to urge Vancouver Mayor Mike Harcourt and Expo  
President Jim Pattison at a meeting this week to support a  
tenant-protecting interim city bylaw. Said Green: "Ejecting  
tenants and the sign is not a very good image when you are  
inviting the world to your city."

### A gesture of faith

Since June, 1984, when Ontario's then-premier William  
Davis reversed long-standing policy and announced plans to  
extend government funding to the three senior grades of the  
province's Roman Catholic school system, the plan has di-  
vided Ontarians and plagued politicians. Indeed, although the  
plan was all-party support and the province's first elected leader  
the first 33 grades of Catholic schools, the policy contributed  
to the defeat a year later of Davis's successor, Frank Miller,  
ending a 42-year Tory dynasty. But within a month of taking

power David Peterson's minority Liberals passed \$20.30 to  
extend funding—then immediately referred it to the courts  
for a ruling on its constitutional validity. After maverick  
judgment for four months, the Ontario Court of Appeal  
denied last week—in a narrow 3 to 2 ruling—that Bill 50 is  
legal. While the majority judgment noted that the 1967  
British North America Act expressly guaranteed the right to  
separate school funding for Ontario's Catholic minority, the  
dissenters held that Bill 50 in inconsistency with non-discrimi-  
nation provisions of the 1960 Charter of Rights and Free-  
doms. As a result, the Metropolitan Toronto School Board  
and the Ontario Secondary School Teachers' Federation have  
appealed the decision to the Supreme Court of Canada. Said  
Board chairman John Bolton: "I think this was just the seal-  
flood—now we've got a job to take into the final."

### Pollution's price

When Dow Chemical Canada Inc. pleaded guilty last month  
to polluting the St. Clair River near Sarnia, Ont., environ-  
mentalists considered it a major victory. While Ontario  
firms had reported 235 chemical spills between 1972 and  
1984, Dow was only the second to admit culpability. The  
company faced four charges relating to the spill last  
August of a dye-cleaning solvent, perchloroethylene, that  
formed a toxic 1,280-square-foot blob on the river bottom.  
Ontario Environment Minister James Bradley, who had  
warned the 12 plants which form a chemical valley in  
Sarnia that he intended to deal severely with polluters,  
levied a \$100,000 penalty. But last week provincial court  
judge Louis Bédard concluded that, under the Ontario Water  
Resources Act, the fine should be \$16,000. In justifying the  
lesser fine he cited Dow's prompt cleanup of the spill,  
which cost the company \$1 million and was completed last  
Dec. 25, and its environmental record. A Dow spokesman  
said that while the fine was substantial, he was pleased by  
the court's consideration. He said Joyce Mulvaney, chair-  
person of the environmental group Greenpeace Canada,  
"At Dow they're probably laughing up their sleeves."

### Running Canada Post



Lander, absorbed

After a seven-month search to  
fill the presidency of troubled  
Canada Post Corp., Governor  
and Corporate Affairs Minis-  
ter Michel Côté last week  
quietly announced the appoint-  
ment of the man who has been  
aging his own company's  
success. Michael Warren, quit  
last July—vice-president  
Donald Lander, 40, former  
president of Chrysler Canada  
Ltd. Lander was promoted af-  
ter 60 Bennett, former presi-  
dent of Canadian Ltd. of Mon-  
treal, turned down the \$390,000-a-year job. Warren, who  
served four years, resigned for lack of government support  
for his long-term Canada Post recovery plan. Lander faces  
a \$243-million deficit on Canada Post's \$2-billion-a-year  
operation in the fiscal year ending March 31.  
Operation of labor disputes. Less than two hours after  
Lander's appointment, the \$20-million Canadian Union  
of Postal Workers announced the result of a membership  
vote—84.9 per cent in favor of a strike if necessary to win  
an acceptable contract in current bargaining.

# SHOWDOWN IN MANILA

WORLD/COVER

The battalion of 1,000 marines, the tanks and the armored cars of the rebel had pulled to within 25 km of the national police headquarters in Manila on Sunday. With orders to smother a popular uprising. But thousands of Filipinos loyal to opposition leader Corason (Cory) Aquino Marcel the wife inside Camp Crame, six kilometers east of the presidential palace, leaders of the revolt—which was swiftly endorsed by Washington and the Roman Catholic Church—vowed to topple the 20-year regime of Ferdinand Marcos. Declared Lt.-Gen. Fidel Ramos: "This is not a coup but a revolution of the people." Returning to Manila from southern Cebu City, Aquino declared, "For the sake of the Filipino people, I ask Mr. Marcos to step down now so that we can have a peaceful transition of government." At the Vatican, Pope John Paul II called for a "peaceful and just solution, without violence or bloodshed." Set at the Malacanang Palace, Marcos moved to retain power and to proceed with his controversial inauguration this week.

The demand for the president's resignation flowed out of protests throughout the nation that Marcos and his supporters had rigged the Feb. 7 election. The U.S.-educated leaders of the rebellion were both longtime allies of the president. Ramos, 51, a West Point graduate, where Marcos had named to take over command of the army last month, and Harvard-trained lawyer Juan Ponce Enrile, 62, the defense minister. The two men and their loyalists hurried themselves in Manila's Camp Crame, the national police headquarters, and adjacent Camp Aguinaldo, the largest of six military bases in Manila and the site of the four-story defense ministry headquarters. Said Enrile: "We want the will of the people to be respected. We will stay here until we are killed."

On Sunday, facing threats by Marcos to end the protest, Enrile abandoned the defense ministry headquarters to consolidate the base with Ramos at Camp Crame, just minutes north on Epifanio de los Santos Ave. Pilots loyal to the rebels flew helicopters overhead and Enrile told cheering supporters, "Let us help each other at this special moment



Aquino, Ramos and Enrile; Marcos (right) challenging a 20-year-old regime

Troops at Manila airport (below): a failed election and a despot at bay

in our history." As Enrile made the short walk from Camp Aguinaldo, the crowd chanted "Cory! Cory!" and many handed out soft drinks to soldiers. With citizens neutralizing the Marcos troops in the streets, at week's end an uneasy and menacing standoff prevailed between the embattled president and the swelling ranks of the opposition.

Blatant Marcos, characteristically, vowed to defy the threat to his hard-fisted regime (page 18). As workers prepared housing for his inaugural, the president declared: "I certainly will not resign on the say-so of someone else. I feel myself legally proclaimed and will continue to run the government." On Saturday Ramos and Enrile, a Marcos minister for most of his years in power, were equally blunt in their assertions. Ramos told assembled reporters: "I am withdrawing my support for the president. It is my duty to see that the sovereign will of the people is respected. I am butchered by my conscience."

Enrile declared that the Marcos camp cheated in the balloting, and he appealed to his former cabinet colleagues not to "support an illegitimate government." He also said he believed that



Manos and armed forces chief of staff Gen. Fabian C. Ver were behind the assassination in 1982 of Cory Aquino's husband, Benigno, who had returned from U.S. exile to challenge the president. Enrile, who had himself been re-elected in the Feb. 7 balloting, although he admitted that his workers cheated, declared: "I am morally convinced that it was Mrs. Aquino who was elected by the Filipino people. We can no longer live under these conditions."

Manos was embittered by the open challenge to his power. Speaking Saturday on television from his office in the Malacanang Palace, he called on Ramos and Enrile "to stop this stupidity and surrender." He also raised the threat of "liquidating" those who were opposing him, adding that he was prepared to attack the rebels with artillery and tanks. Marcos, who said he had discovered a plan by opponents to assassinate himself and his wife, Imelda, claimed

the revolt had occurred. They added that a special task force had been sent up to monitor the crisis. One persistent Marcos critic in the United States, Democratic Congressman Stephen Solarz of New York, said that President Ronald Reagan should offer Marcos refuge in the United States to avoid bloodshed in the Philippines.

Meanwhile, in a statement approved by Ramos, White House spokesman Larry Speakes said the rebellion was "a reinforcement of our concern that the recent election was marred by fraud." The statement added that the rebels were "so extreme as to impair the capacity of the government of the Philippines to cope with a growing insurgency and a troubled economy." Democratic Senator John Kerry, another member of the Congressional observer team, declared, "Hopefully, Marcos will see the writing on the wall and there will be a peaceful transition of power."

**Violent:** But any transfer of power could be bloody. The election itself—scored by 30 political assassinations and widespread intimidation—established a climate of violence that still exists. And Marcos's 200,000-strong armed forces is divided into at least three factions. One is the so-called "constitutional" faction led by Ramos, who was expected to replace Ver on March 1 as military commander. Yet, Marcos's former chief of staff and leader of a so-called pro-Marcos group of officers, was one of 28 military men who were acquitted of the 1983 assassination of Benigno Aquino. The third group is made up of young and idealistic officers belonging to a movement called Reform the Armed Forces. They are decidedly—and perhaps violently—opposed to Marcos.

Barely 12 hours after the rebellion began, other military leaders seemed to be siding with Ramos's call for support. Officers stationed at the defense ministry building said that seven or eight senior generals had expressed their support for Ramos and Enrile. A spokesman for generals at Camp Lapu-Lapu, headquarters of the Third Infantry Division, said: "We are backing the soldiers of Gen. Ramos. And I observed that troops loyal to Marcos had taken over the military camps in the Manila district of Quezon, eight kilometers from the Malacanang Palace. Said Solarz: "There is a very real possibility that the Philippines could be torn apart in a civil war. At the same time, pro-Marcos troops commanded by Ver moved to within three kilometers of the two rebel-controlled camps."

If Marcos does leave—either peacefully or by force—it will be the end of an era. The 65-year-old president assumed power in 1965, and he has used several groups of islands that make up the Philippines with a network of largely con-

front only 1,000 soldiers supported the rebellion and that his army's field commanders "are all united in expounding their loyalty to the constitution and the president."

**Prayer:** In reality, the opposition was widespread. Jaime Cardinal Sin, the country's Roman Catholic primate, broadcast a statement calling for Filipinos—80 per cent of them Catholic—to support Enrile and Ramos. Said the church leader: "Our two good friends have shown their idealism. I would be very happy if you could support them now." And in Washington, Senator Richard Lugar, an Indiana Republican who headed a team of U.S. observers to the Philippine election and concluded that the vote was marred by fraud and intimidation, declared: "With the church against him, the middle class and now, it appears, the military, the situation is rapidly deteriorating."

The rebellion started only a few hours after U.S. special envoy Philip Habib left Manila after a week-long fact-finding mission to the country of 60 million. U.S. officials said Enrile had named two ambassadors, including U.S. Ambassador Stephen Rosenthal, but only after

right layoffs in his New Society Movement. These weak efforts are virtually every town and village and appeals to the poor more than any other group. Marcos was forced to call the snap election—the first contested presidential vote in 17 years—last December following weeks of popular protest against "Mr. Aquino's political assassination." Aquino's 53-year-old widow then became a candidate when Marcos's opponents signed a petition asking her to run.

**Debt:** For many Filipinos, Cory Aquino's lack of political experience was a cause for concern, but what has traditionally been viewed by unfair dealing. Other observers, however, said that she would be unable to address the problems posed by the country's \$36-billion foreign debt, massive unemployment and the growing inequity of the Communist New People's Army. The ensuing eight-week campaign was marked by aerial assassinations and counterassassinations and widespread violence.

Observers and journalists reacted the country to determine the contest. The outcome was important not only for Filipinos but for the entire Pacific region and the United States, which maintain two vital military installations on the islands, the Subic Bay Naval Base and Clark Air Force Base. For much of the campaign period Marcos, supported by a group of back-country warlords, \$225 million in campaign funds and much of the media, seemed likely to win.

But Marcos was hurt by news reports. Reports published in the United States claimed that he was not the Second World War hero that he claimed to be. And a former U.S. Hollywood starlet named Dina Reyes revealed that during a two-year affair with Marcos she had learned Filipino state secrets from the president and that she still received allegiance notes from him. There were also allegations stashed by a U.S. congressman, conservative and Marcos and his wife Imelda—the nation said that she would succeed him—had invested heavily in U.S. real estate interests.

**Results:** Eventually, Aquino began to draw crowds that were larger and more diverse than those that attended Marcos rallies. And during the president's well-publicized declaration that he would give away land to farmers and urban squatters and cut gasoline prices by 12 per cent, the final vote was Marcos's favor only after massive and corrupt manipulation. While Filipinos waited out a painfully slow count of ballots by their government's Commission on Elections (COMELEC) and an in-

dependent group, the National Citizens' Movement for Free Elections (NAMFREL), it became clear that the most able and even dangerous opponent Marcos had ever faced could amount him.

After a final count by the Batasang, the 300-member national assembly dominated by Marcos supporters, the results were announced: 33,807,127 for Marcos and 5,893,716 for Aquino. The final count, however, was highly suspect: a group of 35 communist workers walked off the job, claiming that there were vote-counting irregularities. As well, observers such as Canadian Senator J. Austin Graham, one of 46 members of an international team that watched voting practices in 300 communities, said that the election had been rigged in favor of Marcos.



Crowds immobilize tanks and to quell revolt: 'we will stay until we are killed'

Last week Marcos critics published new charges of fraud. Jose Concepcion, head of NAMFREL, said that postmen and water-meter readers filed progressive protest campaigns and voters to doors in many neighborhoods and noted which households removed them. Many of the names of those government residents were then erased from the registration lists. Concepcion charged, demanding as many as two million voters. And this week the international community condemned Marcos. Fifteen nations—including Canada—indicated that they would not send a representative to the inauguration. Only the Soviet Union was known to have congratulated Marcos. In an interview, U.S. Sen. Reagan, who has initially said that balloting fraud could have occurred on both sides in the vote, later accused

Marcos of profiting from a tainted election. And protests against Marcos grew more ferocious against the people of the Philippines and the United States. Before last week's uprising, Aquino himself led two protest rallies in Manila attended by an estimated 15 million Filipinos. Meanwhile, many of his followers withdrew money from banks owned by Marcos supporters and boycotted the popular San Miguel beer—manufactured by Marcos's cousin Eduardo Cojuangco. In Washington the House of Representatives subcommittee on East Asia and the Pacific approved a bill that would withhold military aid to Marcos—currently almost \$50 million a year—but projected to double next year—and channel economic aid valued at \$181.2

million through private organizations. Just hours before the beginning of the Saturday uprising, Marcos had issued against civil disobedience. Said the embattled president: "I will exercise to the limit the provisions of the law to prevent any fighting in the streets." Still, at press five on Sunday, with army factions taking up positions against each other, there was no violence. Inside Camp Aguinaldo soldiers killed on the ground, and he said, "We don't have anything to be afraid of." As the world watched with concern, it appeared that the man who had vowed not to bow to pressure—from inside or from abroad—was more alone than he had ever been in his two decades of power.

—JUN NEWMAN in Manila with additional reporting

## LEADERS IN A BOLD ACT

COVER

They are longtime friends and allies, and tried veterans of the university political movement that had shaken President Ferdinand Marcos's government in the 26 years since the assassination of a popular opposition candidate, Benigno Aquino. But last week Lt.-Gen. Fidel Ramos, deputy chief of staff of the Philippine armed forces, and Defense Minister Juan Ponce Enrile, an ally in the glare of the television lights and newspaper that they were resigning, their positions to support Marcos's opponent, Corason Aquino. Explaining that the election had been fraudulent and that Marcos no longer enjoyed the support of the people, the two key military leaders called for the president to resign. With that bold stroke they became heroes to millions of Filipinos.

**Corruption:** For many Filipinos, the outright defection of Ramos—possibly a longtime covert supporter of Aquino—was a characteristic action. As acting military head from October, 1984, to December, 1985, while chief of staff Gen. Fabian Iba was on leave after being indicted along with 35 other officers for the August, 1983, murder of Benigno Aquino—he initiated reforms in the corrupt and inefficient armed forces. Among them disciplinary action against officers and initiated was purged of abuses. Ramos still managed to remain popular even after soldiers fired on 5,000 demonstrators in Rizal last November, killing 30.

But many Filipinos said that they were surprised by Enrile's conversion. The 57-year-old defense minister, a 1956 Harvard law school graduate, joined the government as financial undersecretary in 1965—the year that Marcos became president. By 1979 he had assumed the defense portfolio. In fact, Enrile was a firm Marcos supporter who on occasion defended the president against charges of corruption. Said Ramos Sevilla of the Canadian Campaign for the United Opposition (Philippines): "He was a brilliant lawyer and a very honest man before he was perverted by Marcos."

But in recent years Enrile has displayed signs of becoming more liberal for one thing, he was sympathetic to military reform, and he was known to be opposed to some of the excesses of power

displays had into the political mainstream. Said Enrile: "Military efforts alone cannot solve the problem."

Some Filipinos have said that the defense minister's tempered rhetoric was a result of his presidential aspirations. Indeed, as government stability deteriorated in the wake of Aquino's assassination and rumors of Marcos's ill health increased, Enrile was often mentioned as the president's successor. He made no secret of his political ambition—and observers say that Ramos supported him. But many Filipinos said that both men had been consistently shunned since Marcos began to rely more heavily on his Vice President.

**Reforms:** Indeed, at a caucus meeting of Marcos's New Society Movement in January, 1985, the president's wife, Imelda, publicly humiliated Enrile. At that meeting the defense minister outlined the alarming growth of the Communist New People's Army and added that new measures were necessary to curb further growth of the guerrilla movement. The president's wife, herself a potential successor to be husband, responded, "If those facts are correct, there was a failure in the maturity of defense for the past 10 years."

The 57-year-old Ramos had been deputy chief of staff and head of the Philippine Constabulary—the country's powerful domestic paramilitary force—until 1983. At that time Marcos disbanded some of the force's units and placed the rest under the command of Gen. Andong. Ramos, a 14-month tenure as acting chief of staff, he complained that he was not given the power to carry out the reforms that he desired. After Ver was appointed and nominated last December, Ramos went back to his job as deputy chief of staff—a largely ceremonial position. Said the United Opposition's Solomon Remondo of both Ramos and Enrile: "Their hand was forced by Marcos."



Enrile, release of political maneuvering

emerged out by Marcos in the name of protecting the country's constitution last year he told a Manila business meeting that he would leave legitimizing the Philippine Constabulary for such an active would drive insurgents and

—THEODORE KOPPELHORN with AQUINO and CHUCKLES ROWLANDS in Toronto and correspondence reports



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A MORE THOUGHTFUL LOOK AT LIFE.



# A francophone renaissance

Bathed in light streaming through the lofty skylight of the marble Salle des Congrès at the Chateau Versailles, the leaders or representatives of 41 governments who gathered for a historic Paris summit last week were a study in diversity. Prime Minister Brian Mulroney sat between French President François Mitterrand and Senegal's president,

are different for each one of us."

Still, despite the varied objectives expressed by rich and poor nations and a well-publicized disagreement between Mulroney and Bourquies, there was almost as much harmony as there was division at the three-day meeting, the result of 39 years of debate and diplomacy. Delegates agreed on 38 items of co-operation dealing with economic, political and cultural issues.

that he felt "great satisfaction and deep pride" at the success of the summit. For his part, Mitterrand declared "La Francophonie is waking up from a slumber that has lasted too long. Its renaissance is here."

But some representatives of African and other developing nations expressed reservations. They said that the industrialized countries dominated debates and that no real progress was



Francospeaking leaders and representatives at beginning of summit: diversity, reservations and some satisfaction

Abdou Diouf. Behind them Senegalese President Mobutu Sese Seko, wearing a traditional leopard-skin cap, shared the raised podium with other African leaders clad in ceremonial dress. Back in the fourth row of seats Quebec Premier Robert Bourassa, surrounded by other delegates from four continents, shared quietly with Lebanon's President Amn Gemayel. And Mitterrand seemed to be fully aware of the diverse nature of the meeting when he opened the inaugural summit of states that use French as a first or second language. Said the host leader: "We all have our own difficulties, and the timetables and perspectives

facing the far-flung francophone community. A Canadian-sponsored declaration denouncing South Africa's apartheid policies, although less focal than one approved last October by the Commonwealth in the Bahamas, was suitably endorsed. And a Canadian background paper formed the basis for a resolution calling for better ties between indebted nations and the international financial institutions, as well as a recognition of the need for stable commodity and agricultural prices. At well, the delegates took steps to promote the use of French in computer programs and satellite communications. Mulroney said

made on their mounting debt problems. Even Leopold Senghor, the former president of Senegal who first promoted the idea of a summit in 1965, said, "There is no cultural life without political and economic life." African leaders also said that the final resolution on South Africa—which stopped short of a call for economic sanctions—did not go far enough. Mulroney, who had insisted that South Africa be on the agenda, said that the resolution—demanding the repeal of apartheid, freedom for political prisoners and negotiations with leaders of South African blacks—was "a much-needed common statement that every-

body could reduce immediately."

A more sweeping international initiative was proposed by Bourassa—an intervention that renewed Canadian tensions over the proper constitutional role of the provinces in international affairs. At the end of the first day of proceedings Bourassa took the floor to propose measures—first put forward two years ago by France's finance minister at the time, Jacques Delors—to redistribute Bourassa's massive food surplus to the Third World. Bourassa later recounted of his initiative to reporters outside the closed meeting: clearly angered Mulroney, Ottawa and Quebec had signed an agreement last fall—ending a 15-year stalemate over Quebec's participation in the summit—which allowed Quebec and New Brunswick a full voice on cultural and development matters but stipulated that the provinces could speak on international affairs only with the permission of the federal government. Declared Bourassa, who stressed that he had not told Mulroney what he intended to say "if they call on Quebec to play an international role, I must participate in a significant way."

Mulroney's reply was short and to the point. "Do it to me now," he said, "Mélodie me one, and you've got a problem the next time we meet!" Moments later the Quebec delegation asked Mulroney's if they considered the incident a test of how the 1986 federal-provincial agreement would work in practice. But even the Paris newspaper *Le Figaro* questioned the appropriateness of Bourassa's recommendation. And the newspaper's editorialist wrote: "Was it really in Quebec's jurisdiction to make such a proposal?"

As a result, Ottawa and Quebec took action to avoid a similar controversy at the second francophone summit, to be held in Quebec City in the fall of 1987 or the spring of 1988. A Canadian federal official will preside over the organizing committee, aided by two vice-presidents, one from Quebec and the other from France. Ottawa will pay 60 per cent of the costs, Quebec 30 per cent and New Brunswick five per cent. At the Quebec City meeting Mulroney will be the chairman, presiding over the first part of the summit. Then he will ask the conference to allow Bourassa to preside over the second half. Summit officials last week said they were convinced that the Quebec City meeting would not become preoccupied with federal-provincial in-fighting. With all the other hard economic and political difficulties facing the scarred club of French-speaking nations, that at least seemed like one small step forward.

—MICHAEL ROSE in Paris



Mulroney and Fabius reviewing prepared writings into trade benefits

#### CANADA

## Making goodwill pay

Ever since Charles de Gaulle, then the president of France, showed his "love to Québec boys" separatist rallying call from the balcony of Montreal's city hall in 1967, relations between Canada and France have been coolly formal at best. But ties between the two nations strengthened after Prime Minister Brian Mulroney's public acceptance, in the presence of visiting French Prime Minister Laurent Fabius in November, 1984, of the special relationship between France and Quebec. And after last week's Francophone summit in Paris, where Québec participated by agreement with Mulroney, the Canadian leader was awarded two private meetings with President François Mitterrand and two more with Fabius during a postsummit official visit. Whistled around Paris is a rumour with a motorcycle police escort. Mulroney was also awarded to a normally off-limits working session of the *Académie Française*. There, the distinguished arbiters of French usage formally added the Québec word "la foresterie" to the authorized French lexicon in honor of the Canadian visitor.

But Mulroney's aim in his two days of talks with French leaders was to translate that growing goodwill into trade and other economic benefits for Canada. That may be a difficult undertaking. France was Canada's ninth most important trading partner in 1984 with a two-way volume of just \$2.9 billion, compared to Japanese trade of about \$15 billion. The Prime Minister tried to re-

assure the French that his free trade initiative with the United States would not compromise trade with France. In a speech to 400 businessmen in the ornate ballroom of the Paris Chamber of Commerce, Mulroney said: "It is essential to conclude a treaty with the Americans which assures our access to external markets and increases our international competitiveness. These objectives are not directed against anybody." The approach appeared to be successful. Chamber president Philippe Clouzet, who had earlier told Mulroney that the free trade talks were a "major concern," later told Mulroney the speech had "completely reassured French industrialists."

At a press conference closing his week's activities in Paris Mulroney announced that Canada would be willing to provide up to \$20 million in subsidies to Canadian companies who want to take part in the French Project Rêve as a high-tech and space research program launched by France and 17 other European nations in 1984. The Prime Minister also said that in his talks with French leaders he had tried to defuse problems relating to St. Pierre and Miquelon, the French possessions in the Gulf of St. Lawrence—picking a dispute over the fishing rights of a French factory fishing trawler based in St. Pierre. He also said that the French president would soon visit Canada—the first tour by a French head of state since De Gaulle's visit. Declared Mulroney: "A new solidarity was born in Paris this week."

#### PERU

## The campaigns of a rebel reformer

Some of his admirers affectionately call him *Cobello Leon*, or *Crazy Horse*, and they cannot get enough of him. Chanting "Alan, Alan," they march in Plaza de Armas, the main square of Lima, Peru's capital city, as 36-year-old President Alan García Pérez appears on the balcony of the government palace. There, microphone in hand, he delivers what have become known as bombastic (García outpourings), mercurial and nihilistic speeches that have only increased his popularity among the country's 19 million people: a poll in December gave him an 85-per-cent approval rating. Brash and charismatic, the Sorbonne-educated García came to power last July after a resounding electoral victory over eight other candidates and, in less than seven months in office, he has brought new life—and a great deal of controversy—to the troubled Latin American country.

García has ignited the controversy as dramatically as he has sought constant support. As the leader of the centre-left American Popular Revolutionary Alliance, he has presented only a vaguely defined platform before ascending centre-right President Fernando Belaúnde Terry, whose election in 1980 ended 15 years of military rule. Since taking office, García has so far been willing to tolerate the country's debilitating but deep-rooted, untouchable "informal" economy—estimated by Peruvian economist Hernando de Soto to employ two out of every three urban workers. But he has confronted everyone from his country's increasingly active leftist guerrillas to the International Monetary Fund (IMF). And he has come into conflict with the United States, although Washington remains officially supportive. "He is doing all kinds of things we don't like," said one senior U.S. diplomat last week. "But we feel that the prospect of democracy overrides these issues for the moment." Most controversial was Gar-



García sweeps kitchen for people, guns against killers and defiance for world hawks

cía's inauguration-day announcement that Peru would pay no more than 10 per cent of its export earnings in interest and principal on its \$14-billion foreign debt. (The justification: the debt, he said, is "the product of the unequal exchange of our raw materials for the in-

dustrial products of the rich countries.") But Peru has been badly hurt by low world prices for its copper and zinc exports. The president also declared a six-month moratorium on private debt payments to commercial banks and he has bypassed the IMF in negotiating with creditors.

#### Narcotics officers and former a tax-free "informal" economy



In fact, García has become one of the first world leaders to refuse, in such a dramatic manner, to conduct business as usual with the war, which normally imposes austerity measures on indebted nations in return for rescheduling their debt. "We have come to realize," said his government's economic adviser Raulo Delgado told Mulroney's, "that through the economic model presented by the IMF and imposed by other countries, we have no chance for development." Instead, the president has pursued an austerity program of his own. It has imposed wage and price controls and devalued the national currency, the sol. In the process, it has slowed the country's nearly 300 per-cent annual inflation.



rate down to about 36 per cent. But Garcia's anti-Soviet stance is clearly shaky. Two weeks ago the head of the Peruvian army said that Peru pays about \$75 million by March 14, it could be reduced intelligibly for further help by both the IMF and the World Bank.

Garcia has also been troubled by the terrorist threat. Since 1980 a Marxist guerrilla group called Sendero Luminoso, or Shining Path, has killed an estimated 7,000 people. Tepez Amazo, an urban guerrilla movement fighting for Indian rights, has also been active. And on Feb. 5, after the explosion of 15 bombs in Lima, Garcia said that there might be a third guerrilla movement—composed of right-wing extremists. Four days later the president declared a 60-day state of emergency, including a 1 a.m. curfew in Lima and the nearby part of Callao. Each night as the curfew approached in Lima, machine-gun-toting army officers rumble through the empty streets of the usually bustling city of six million people. But at week's end, the curfew was broken as a rash of explosions rocked the capital. No one was injured in the attacks by terrorists thought to belong to Sendero Luminoso, who looted six foreign embassies—including those of the United States and West Germany—and at least 30 other targets.

Garcia has also battled Peruvian drug traffickers who supply vast quantities of unrefined hash for the world's cocaine trade. Among those involved in the drug trade were 800 Peruvian police officers who were summarily fired by Garcia's government. That action was welcomed by Washington, which has sent U.S. narcotics agents to help with Peru's war against drugs. But U.S. administration officials opposed Garcia's decision in December to nationalize the Beto Petroleum Corp. of New York. And along with the president's controversial drug policy, the Beto takeover has led to strained relations between the two countries.

That has not lessened the hopes of his people, who are heartened by the creation of 30,000 jobs and numerous community soup kitchens. Said Seneca Guevara, a Washington-based analyst: "We'll give him a chance." Some analysts say that Garcia will probably outlive his policies. Said Pope Atkins, a Latin American specialist at Georgetown University in Washington: "He has enough kooky problems of his own without promising to host unnecessary problems with the United States." With Peru's Coast Horse, anything—even moderation—seems possible.

—BOB LEVIN in Toronto with  
KATHY LEEZ in Lima and  
WILLIAM LORINCZ in Washington

## GRENADA

# Reagan's memorial visit



Reagan, Bush, St. Kitts-Nevis Prime Minister Kenneth Simmons: Hopes

For several days they painted buildings and cleaned the streets. Prime Minister Herbert Blaise proclaimed the occasion a national holiday. And when President Ronald Reagan finally touched down last week at the scene of what many Americans consider his greatest foreign policy triumph, residents of the tiny Caribbean island of Grenada greeted him with rapturous enthusiasm. It was Reagan's first visit to the island, where in October, 1983, U.S. forces landed and deposed the Marxist regime of Maurice Bishop, who had been awarded the week before by members of his New Jewel party. During his only public speech—at the Queen's Park cricket grounds, site of the American command headquarters during the invasion—Reagan recalled the landing and declared, "When people are free, their rights are protected by law, and the gods are not raising the pole, they are in the pole."

The reference seemed to be devoted to the 19 former New Jewel leaders imprisoned and awaiting trial for Bishop's murder, and the 30,000-strong crowd roared its approval. Like the television, the in-house unit appeared initially to have the hopes of many of the country's 115,000 residents. But the speech by the man known locally as "Big Daddy Reagan," which began to lead cheers, ended with only polite applause. And the optimism created by the American intervention in the former British colony

has also waned. Said cab driver Lessee Williams of St. George's, the island's capital: "In the past two years there have been tough around here."

According to U.S. government officials, they had planned to make post-invasion Grenada an economic and democratic model for the Caribbean. Instead, unemployment has soared to an estimated 46 per cent from 14 per cent before the invasion. The average income is \$970 a year compared to \$6,600 in nearby Trinidad. And there are continuing allegations of civil rights abuses. Still, a sign at Point Solitaire International airport—installed in 1976 by Cuban construction workers and completed this year under U.S. supervision—carried the slogan: "Welcome Dr. Reagan. Ninety-nine per cent of Grenadians think that you saved their lives in 1983—therefore it is fitting to call you doctor."

But as the President visited the 158-square-mile island in a 20-acre motorcade, he made it clear that he is not prepared to offer any additional economic aid. He declared that U.S. aid programs for the island—more than \$74 million since the invasion—have not worked as well as he hoped. Some Grenadians confirmed that view. Declared George Louisa, a former minister in Bishop's four-year regime: "We have grave economic problems."

Some of these problems are a result of the Reagan-style economic program introduced by the trait, article

Blaise, 61, who was elected prime minister in December, 1984. His coalition government swiftly began to close the state-owned businesses that had multiplied under Bishop's regime. Private industries were intended to take their place. When Blaise took office, U.S. government officials said that 70 American companies were considering setting up businesses in Grenada to take advantage of incentives from the Overseas Private Investment Corp., which provides loans to investors in less developed countries.

But only two businesses were established, and both have since closed. One, a small spin-spinning plant, declared bankruptcy. The other, a toy factory, also shut down after only four months in operation, and last month its owner, William Ingle, was sentenced to two years in prison for defrauding the U.S. government of \$366,000. Some Grenadians say that a protest against U.S. firm had taken place in January by Reagan is likely to sharply reduce Grenada's annual sugar exports to the United States. At the same time, Washington has tightened quotas for Caribbean textile exports, which is affecting the island's sugar textile factory, which makes custom T-shirts.

Reagan did say that Grenadian goods would be relaxed—but only for goods assembled in Grenada using cloth made and cut in the United States. Blaise's government has discounted complaints about human rights abuses from organizations such as the Washington-based Council on Hemispheric Affairs (COHA), a research group supported by labor and church organizations. Declared Blaise: "You may think something of that sort, but as far as I am concerned it is just a case for leftist nonsense." Still, many former members of Bishop's cabinet—including Louisa—have had their names removed from the island's passport. As well as your passport shot down a privately owned radio station in the town of Grenville and confiscated all the equipment because they claimed that its owner, journalist Stanley Charles, was operating without permission. Said Chester Humphrey, former leader of the island's Technical and Allied Workers' Union: "I am very much concerned that Grenadians are being transformed into second-class citizens."

Humphrey himself has spent more than 30 months in jail since the invasion. He says that in 1985, while he

was in his way to deal with complaints from civil servants represented by his union, police arrested him in front of St. George's harborfront. He said and imprisoned him for seven months—without charge. Then, only days after his release he was arrested again—and he says the police told him that U.S. authorities were seeking his extradition on gunrunning charges laid in 1979 while Humphrey was a student in San Antonio. Mr. Humphrey denied the charges and, after 77 months and two 60-day-long



Grenadians greet Reagan, disappointed that could lead to unrest

hunger strikes, he was finally released. Said Humphrey: "If I wasn't a well-known trade unionist who had connections for defense funds, it would have been impossible. An ordinary Grenadian would have long ago been back in the United States."

Meanwhile, some Grenadians now say that the disappointment that followed the American intervention could lead to unrest. During a short meeting with Reagan, Blaise and eight other Caribbean leaders—including prime ministers Edward Seaga of Jamaica and John Compton of St. Lucia—told the American President that political stability can only result from an improvement in the Caribbean basin's economic and social conditions. And George Blaise, Grenada's agricultural minister, said that time is running out. He added: "People are very impatient. We have had people repressed for so long, so you have to deliver or they will be better very shortly."

—IAN MISTEN in St. George's

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# BULOVA

## WEST GERMANY

## A leader under fire



Kohl: 'Blackout'

Many West Germans criticize him for lacking charisma. But Chancellor Helmut Kohl, who until recently seemed assured of re-election when the country goes to the polls in January, 1987, now faces a more serious crisis than complaints about his personality. Last week the Karlsruhe state prosecutor announced that the Christian Democratic leader was under investigation. The reason: allegations by West Berlin lawyer Otto Schily, a leading member of the radical Green party, that last July Kohl had misled a parliamentary panel investigating illegal party funding in Kohl's home state of Rhineland-Palatinate. According to Schily, Kohl lied when he denied any knowledge of corporate donations channeled into party coffers through tax-exempt foundations. Government spokesmen initially dismissed the charges. But last week Helmut Gensler, Kohl's chief campaign strategist, said that the chancellor may have experienced a "blackout" during questioning. Added Gensler: "This can happen in very long hearings."

## VIETNAM

## Finding the missing

Some of the clues, like the bone fragments found at the site of a crashed B-52 bomber, are meager. Others, like the report of a blood stain glimpsed as a Vietnamese riverbank and mottling in English, are intriguing. The Vietnamese have steadily been making concessions to resolve the issue in the hope of establishing diplomatic relations with the United States and ending their country's isolation since their invasion of neighboring Cambodia eight years ago. In January the U.S. and Vietnamese governments agreed to solve within two years the mystery of the 1,790 Americans still listed as missing in action during the Vietnam War. And last week a nine-member U.S. congressional delegation returned to Washington after a two-day visit in Hanoi, and spokesmen said that the Vietnamese will investigate reports of American soldiers still living in remote areas of the south Asian country. Rep. Congressman Benjamin Gilman: "They mentioned that there may be Americans there of their own will, and they have taken the position that if the Americans wanted to stay, they would let them."

## UNITED STATES

## An unheeded warning

As a mini-submarine crept the sea bottom for debris from the doomed Challenger, a shuttle that exploded on Jan. 28, a Washington inquest into the tragedy moved closer last week to defining its cause. The presidential commission investigating the disaster learned that executives at Morton Thiokol Inc. of Chicago, the makers of the solid-fuel booster rockets which are prime suspects in the explosion, had "strongly argued" against the launch "because of the effects of cold weather on a double set of synthetic rubber O-ring seals

between the segments of the rocket's casing. Previously, no shuttle had been launched when the temperature was below 18°C. When the ill-fated Challenger left the ground the air temperature was 3°C. Both sides and the commission have focused their investigation on the seals after photographs showed black smoke leaking from a joint on the right booster rocket. Commission sources said that Allan McDonald, a Thiokol engineer, argued against the launch. Jesse Moore, aerospace administrator of the shuttle program, said he had not been told of the engineer's warning. Moore, who was replaced last week in his shuttle project post by Richard Truly, a 48-year-old former director of the U.S. Navy's space program, said that if he had known, "we certainly would have asked a lot of questions."

## The death of a spy

For 30 years the translator Larry Wu-tai Chin, a passionate gambler with the air of a calm Oriental scholar, had been taking classified documents to his suburban Washington home, photographing them and then taking his film to Toronto to give to a contact whom he knew only as Mr. La. Last Friday, two weeks after being the first American ever convicted of spying for China, the 60-year-old Chin killed himself by putting a plastic bag over his head in the Prince William County jail in Manassas, Va., where he was being held. Chin, born in mainland China but an American citizen since 1976, was paid just \$50,000 a year as an employee of the CIA's Foreign Broadcast Information Service, but he had amassed a small fortune in real estate properties valued at \$300,000 at the time of his arrest. Chin had testified during his trial that he provided his native land with the U.S. documents in an attempt to improve relations between the two nations. But U.S. attorney Joseph America argued that Chin had lived a "life of lies" and had been paid \$30,000 a year by the Chinese before his 1981 retirement from the CIA.

## KOREA

## No room for dissent



Kim Dae-jung, dissent

There stood riot helmets reflecting the Mae Riul sky, hundreds of South Korean police crowded off the house of Kim Yoo-sik, a leading dissident, for the third time last week. The house arrest of Kim—and that of fellow dissident Kim Dae-jung and hundreds of other opposition members—was part of the government's tough response to demands for electoral reform in the Asian country of 43 million. Under South Korea's constitution, the president is elected by a 600-member electoral college. But spokesmen for Korea's opposition parties say that they plan to collect 30 million signatures on a petition calling for direct presidential elections. The government of President Chun Doo-hwan has responded with a rash of arrests—870 to date—that have provoked criticism from its main ally, the United States. Said state department spokesman Charles Radman last week: "It is inconsistent with basic democratic principles to deny citizens the right to petition their government."

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# CANADA SAVINGS BONDS

Canada

# A WAR AMONG TITANS

BUSINESS/SPECIAL REPORT

**L**ast summer the Kingdom of Saudi Arabia, frustrated with fighting a losing battle, resolved to start a war. For several years the oil-rich Middle Eastern power broker had tried to persuade members of the 13-nation Organization of Petroleum Exporting Countries (OPEC) to hold down production and prevent declining international oil prices from falling further. But the successful OPEC cartel, torn apart by competing interests among its members, could not keep to the plan. Then, early last fall Saudi Arabian Oil Minister Sheikh Ahmed Zaki Yamani quietly turned up his nation's own oil output. That triggered a furious international price war that has sent a black tide of bargain-basement crude gushing across the globe. And last week international crude prices slipped below \$10 (U.S.) a barrel on futures contracts traded on the New York Mercantile Exchange for the first time in seven years. Now, the industrial world, driven into two severe recessions by exorbitantly priced oil, is again searching for policies to counter a second Yamen-led economic war.

**Reversal:** The impact of the new oil shock was clearly evident around the world last week. The Saudis and their powerful oil allies, Yamani, had successfully manipulated the price of the vital commodity—downward. Once again, the policies of a small country were reaching into homes, factories and political assemblies around the world. Industrialized oil-importing Western nations anticipated the benefits of cheaper fuel oil and gasoline—and at Canadian gas

pumps prices finally did start to decline. But falling oil prices also threatened major oil-exporting debtor nations with bankruptcy—and that in turn created severe problems for the lenders to these nations.

**Wulshin:** In Canada, oil's free fall—Alberta light crude fell to a posted price of \$22 (Can.) last week—cast a shadow over a suddenly vulnerable domestic energy industry. Cheap oil threatened the future of debt-ridden oil companies—including the giant Dome Petroleum Ltd.—and forced others to begin preparing for large-scale layoffs. The new writhing of oil has already doomed some new projects, including the \$3.2-billion natural gas liquefaction plant planned by a consortium led by Mobil Oil Canada Ltd. and Petro-Canada in British Columbia to serve Japanese markets. And it has put in doubt the future of billions of dollars worth of other costly developments in Alberta and on the nation's energy frontiers. For OPEC and the governments of the oil-producing provinces, falling prices have presented a critical test of economic policy. But for everyone, the critical issues were the same: how far down, and for how long, will prices drop?

The most optimistic forecasters calculated that after another three to six months of uncertainty prices would likely settle at the \$20-a-barrel (U.S.) level. That would leave reasonable profit margins for most producers and create many economic benefits, including reduced inflation and increased consumer spending. Declared New York economic consultant Pierre Stiffert as the first wave of worldwide oil price-cutting took ef-

fect: "The decline in the price of oil is one of the most bullish things for the future that I have seen in 35 years of forecasting."

But the immediate effect, many economists said, will be economic hardship simply because of the turmoil wrought by the suddenness of the decline. And the prospect—conceivable, but unlikely—of oil settling for a period of years somewhere below \$15 (U.S.) would be even more damaging. Debtor nations such as Mexico, Nigeria and Venezuela would be unable to repay the \$300 billion that they owe to the world's banks. And some oil reserves in Canada and the United States would be effectively locked underground because the crude would not be worth producing.

Obviously, spokesmen for the federal government and the Canadian petroleum industry continue to maintain that the drop is temporary and that they are not unduly concerned. Said federal Energy Minister Patricia Carney: "Essentially, we are keeping quite cool until we see whether this is a controlled parachute jump or a free fall in the prices." She added, "This is not a panic operation." Richard Peterson, executive vice-president of Toronto-based Imperial Oil Ltd., added: "Obviously if our income is cut in half, we won't be able to afford some things. If you get to the \$14-\$12 range for oil, some wells are going to be shut in. It is a question of how far the Saudis are prepared to play their game."

**Recession:** Still, for the Canadian energy industry, the timing of the price collapse could hardly have been worse. On June 1 the Western Accord engineered by Carney with Alberta, Saskatchewan and British Columbia ended 13 years of interstate regulation in the Canadian oil industry. With domestic oil prices freed to move to international levels, and Liberal-era oil industry taxes gradually phased out, Canadian oil companies embarked on record levels of investment and drilling. Then, last December, just as the Alberta economy—reeling under the impact of economic recession and the effects of the 1989 National Energy Policy (NEP)—showed signs of revival, world oil prices began to drop. Said Hans Meisel, technical director of the Canadian Petroleum Association: "We just had everything going the right way and everyone was optimistic. Then,

North Sea oil platform Yamani: unsettling prospects



weight, the situation has changed. The mood is not very good."

One result, predicted James Hamilton, a Calgary-based energy analyst with Bell Gaislock Ltd., would be a sharp decline in drilling activity in remote areas. He added, "Frontier exploration activity of Canada will probably be to a large extent become dormant for three to five years at least."

Declining oil prices have already led to layoffs in the West. At the same time, all company planners have returned to their computers to revise drilling and development plans, with the almost certain prospect of a drastically reduced level of offshore activity—unless international prices rebound quickly. In Calgary are Husky Oil Co.'s \$3.2-billion upgrading plant planned for Saskatchewan.

It was, planned \$4-billion expansion at Syncrude Canada Ltd.'s Alberta upgrading plant and the start of production out of the East Coast's offshore Hibernia oilfield. In some cases the consequences of a prolonged oil price slump could be much more serious. In Toronto last week Denis Petroleum's chairman, Howard Macdonald, met with the company's 56 directors to discuss how the firm could pay back the \$6 billion that it owes. Many oil analysts also noted that a number of the medium-sized Canadian oil firms that emerged after the war to compete with OPEC's publicly owned Petro-Canada, as well as U.S.-controlled equivalents such as Imperial Oil Ltd., Shell Canada Ltd. and Tesoro Canada Inc., could be hard hit by slumping crude prices.

**Exposures** While the major integrated oil companies have the diversified operations and financial clout to withstand the price shock, many smaller Canadian-owned firms rely almost entirely on oilfield production for earnings and will be hit hard by falling crude prices. Among the most vulnerable is Colindale and International oil bankers as well. The Royal Bank of Canada, with more than \$2.6 billion in outstanding loans to Canadian energy and mining companies, is the most exposed domestically, even though it wrote off \$840 million worth of loans in Alberta in the past five years. Internationally, the Bank of Montreal faces the most pressing difficulties, with a total of \$2.1 billion in loans to Mexico and Venezuela, 4.16 per cent of its total loan portfolio. These nations also owe the Royal Bank \$2.25 billion, but that is still only 3.62 per cent of the Bank's total loan portfolio.

As oil prices crashed, many Canadians expressed frustration at how long they had to wait to see the effects at gasoline outlets. But at least eight weeks after the world decline began, or until government action remained stubbornly in the 90- to 95-cent-a-litre range, while in some parts of the United States it dropped as by an average of five cents a

gallon. And in the Commons, Carney faced a barrage of questions from opposition members James Connad, executive vice-president of the Petroleum Marketers Association of Canada, for one, and that the oil companies were being allowed to take "money out of the pockets of Canadians."

Finally Carney—who said that he accepted the oil companies' argument that it takes up to 60 days for price changes to work their way through the distribution system—flooded oil telegrams to the major oil companies urging them to reflect lower crude oil costs at the gasoline and heating fuel level as quickly as possible. By late last week Petro-Canada had taken the lead in reducing pump prices by two cents a litre, and other majors quickly followed.



But the companies are limited in their ability to lower prices. Federal and provincial taxes and royalties already account for about 30 per cent of every gasoline dollar. "An crude price drop," noted Michael Bell, public relations director for the Canadian Automobile Association, "taxes represent a higher percentage of gas prices. That should be making the government nervous."

**Threats** Saudi Arabia and oil OPEC partners saw oil pumping increase from 17 million barrels of crude a day on to the world market—which was absorbing just under 16 million barrels daily. That makes Canada's depleting and geographically fragmented oil industry vulnerable to future shocks. Canada currently produces about 1.5 million barrels a day of crude and exports about 360,000 barrels a day to serve Eastern Canadian markets. At the same time, nearly one-third of the crude produced in Canada—about 500,000 barrels a day—is exported to the United States. Last week a threat to that trade emerged as some Washington politicians began promoting the idea of a tariff on imported oil to automatically help reduce the \$212.3-billion (U.S.) federal deficit and protect American producers from collapsing international prices.

Pressure was also likely to surface in Canada for government action to cushion the impact of the price war—or, on the long haul, exploring and the development of expensive new petroleum sources now dramatically. In the West, every \$1

drop in world prices will take about \$200 million annually from Alberta's treasury and \$22 million annually from Saskatchewan's. Still, the Conservative governments of premiers Don Getty in Alberta and Grant Devine in Saskatchewan have lodged royalty legislation and loan guarantees to Husky Oil's Saskatchewan upgrading plant. Finally, the New Democratic Party and its leader, Ed Broadbent, have demanded that Ottawa break a change in the Western Accord that allows for the establishment of five per cent of oil's double price changes through "potentially negative impacts on Canada."

**Submit** Whether oil prices strengthen depends mainly on Saudi Arabia. The desert kingdom is involved in a costly game of nerves with other oil-exporting nations.

Last summer Yaman was faced with a complete breakdown of the oil cartel. After 15 years of effectively controlling the oil market, OPEC countries began to exceed their band quotas by steadily increasing amounts, gradually weakening prices. Non-OPEC countries such as Britain, Norway and Denmark were pressing North Sea oil at levels dictated by market forces—and these levels were well below the posted oil prices. Yaman began to forge a strategy to have competitors and other OPEC members to adhere to a single price and new quotas.

Yaman decided to simply increase cheap Saudi output dramatically, driving down the world price until other producers were forced to submit to his policies. In the first four months he has more than doubled his nation's production to 4.6 million barrels a day. The action swamped already glutted world markets and sent the international spot price of crude from \$26 (\$1.8 a barrel) at the end of 1980 to \$25.50. Then, Yaman served notice that until other countries reduced production, "there will be no instances to the downward price spiral."

**Involved** Saudi Arabia is well equipped to win the protracted war. Indeed, Yaman is orchestrating an almost complete and stunning reversal of the devastating price hikes of 1973. In that year a rapid sequence of events suddenly sent the price of oil spiralling upward. Just as key members of the 13-year-old OPEC were about to break the cartel's control on prices by major oil companies and raise the benchmark price of oil from just \$3 a barrel, Egypt and Syria invaded Israeli-occupied territory. As the Yom Kippur War raged, the Arab OPEC nations declared an embargo against pro-Israeli nations and a production cutback, triggering a price crisis that made OPEC finally aware for the first time of its power. By the end of the year posted world oil prices had risen to nearly \$12 a barrel. Six years later, when the Iranian Revolution disrupted all exports from that nation, the result-

ing shortages and panic drove the spot price of oil as high as \$40 a barrel, before settling back to around \$30. Those actions forced the industrial world to shift its growth strategy. Countries explored alternative energy sources and imposed conservation measures—and brought new oil reserves on stream to compete with OPEC oil.

After 1982, cartel members gradually began ignoring production quotas in a mounting effort to keep their share of a dwindling international market. By late last summer Saudi Arabia's financial reserves, which still stand at between \$60 to \$70 billion, were hemorrhaging at the rate of more than \$1 billion a month as the country held down its oil exports in an effort to keep OPEC together.

Yaman's more moderate OPEC threat was posed by Britain, which ignored repeated Saudi requests to restrain production and which is now officially the target of the price war. Since 1982 Britain has let its North Sea production soar to 2.7 million barrels a day from 1.6 million. Still, that is only six per cent of the Western world's current crude oil supply, and energy analysts say that Saudi Arabia's real concerns are quite-violating OPEC members such as Ecuador, Indonesia, Iran and Nigeria. Third-World nations that cannot afford a long fight. Already, some oil-producing nations have turned to Saudi Arabia's harsh market-price discipline. Last month Iran and Egypt agreed to cut oil production by as much as 30 per cent, and last week the oil ministers of Algeria, Libya and Iran called for a top-level meeting of all oil-exporting nations to stabilize oil prices.

Still, there are no certainties for any nation as the decline becomes steadily more dramatic. But the prospect of a Canadian petroleum sector once more acting as "a mighty engine of the economy"—as Carney predicted last year—was clearly renegeing. Ultimately, oil prices are almost certain to rise, providing relief to Canada's oil and gas sector, which in 1984 generated \$94 billion in revenues.

Until that does happen, Ottawa will likely be forced to follow a difficult policy line to maintain the support of both consumers and political conservatives. It will have to ensure that the oil industry stays in good enough health to bring oncoming the new reserves that Canada will need in the future—long after Saudi Arabia's Yaman has made his point.

BY MARK NORDMAN AND MARC CHANES  
AND  
NORTH BRITAIN in Calgary, Lyle HOFFER  
in London and corresponding writers



Mark Nordman, Macdonald Journal

# THE RISE OF A CAPITALIST SHEIK

BUSINESS/SPECIAL REPORT

**T**he warning was contained in a letter from a king and it was read by the world's most powerful oil minister—Sheik Ahmed Zaki Yamani, Saudi Arabia's veteran minister of petroleum and mineral resources. As read by voice disc jockey and overproduction by members of the Organization of Petroleum Exporting Countries (OPEC), the Saudis had announced sale of one's 11 oil ministers to a two-day meeting at the Saudi summer capital of Taif last June. In an atmosphere of respect and disorder, Yamani read a statement from King Fahd, head of the royal house of Saudi. If other OPEC members failed to comply with production quotas decided upon in October, 1985, the king declared, Saudi Arabia would also join them—resulting in an almost certain price war. Then, when the OPEC partners refused to comply, the Saudis acted swiftly and decisively by actions they had nearly doubled their production to 4.5 million barrels a day from 2.5 million barrels, flooding the world market. By last week the oil-spoken, Harvard-educated Yamani could enjoy at least a temporary victory.

**Somewhere** Some analysts said that Yamani now appears to be pursuing a long-term strategy designed to reestablish Saudi's waning dominance. According to Joseph Stuenkel of Censler Energy Research Associates in Paris, "The Saudis hope that lower prices will stimulate demand, discourage investment in oil production in industrial countries, and fuel the search for new energy sources."

Born in 1928 in the Muslim holy city of Mecca, Yamani led a privileged life as one of the country's chief families. At the end of the Second World War Yamani studied medicine and law at King Faisal University in Cairo. He became interested in both Marxism and in the extreme right-wing ideology of the Muslim Brotherhood. But at 39 he emerged with a law degree and an apparently unshakable commitment to capitalism. In 1963 Yamani moved to the United States, where he spent three years studying legal and economic issues at New York University and Harvard. He met his first wife, Iruphoris Laila Soliman Fadli, when they were both students in New York. After divorcing Fadli in 1975 he spent much of his time in Saudi Arabia, the daughter of a Saudi businessman.

Equally at ease in a business suit or

the traditional flowing robe, Yamani bridges Arab and Western cultures. A tall, strongly built man with a carefully kept wavy beard, he enjoys Arabian poetry and folk dancing but he also likes classical music and the company of tough-talking Western oilmen. And Yamani has exercised his power

in all oil companies operating in their countries.

After the 1973 Yom Kippur War the Saudis and their oil-producing partners decided to punish both Israel and its Western allies by imposing the now-famous oil embargo. Prices soared and a substantial number of countries



Yamani: washing world of prices, challenging both consumers and suppliers

with shame and apophanisms. Said OPEC aide James Aida: "He is so way overbearing. He does not consider himself Master OPEC." The title of "sheik" which precedes his name is a mark of respect for an orthodox Muslim rather than a sign of nobility. And Yamani is clearly a religious conservative. He was raised as a devout Muslim, learning the Koran by heart. But he also had widely in other areas and he says that even as a boy he was distressed by the contrast between the deep poverty of Saudi Arabia and the extreme wealth created after the Americans discovered oil in 1938.

Appointed minister of petroleum in 1962, two years after OPEC was created, he tried to form a government partnership with Aramco, the Anglo-American grant which held a monopoly on Saudi oil production. Aramco refused, and after the 1967 Middle East war Yamani spearheaded a campaign that culminated in 1972 when he negotiated an agreement which guaranteed Persian Gulf states a 25-per-cent share

shifted to a more favorable policy toward the Arab world.

Largely as a result of Yamani's efforts, Saudi Arabia has received enormous benefits from its proven reserves of 180 billion barrels of oil. An infrastructure of roads, airports and telecommunications facilities is now in place, and the Saudis enjoy a standard of living undreamed of 25 years ago. But attempts to hold prices steady by cutting back on its own output have hurt the desert kingdom. Saudi export revenues plunged to \$20 billion (U.S.) last year from \$110 billion in 1981.

**Gambler** As the price was constrained, now, Yamani was clearly in charge of the Saudi oil offensive. For the man noted for his good humor and graciousness, it was perhaps his best during gamble. But for now, said Ben Joyner, an economist at Toronto-based Benta Pty Ltd., "the Saudis are back in the driver's seat." And Yamani was at the wheel.

—ANN FERGUSON with LARRY GLENN in New York and PETER LEWIS in Brussels



Carmichael: an underclass and concerns about growing regional differences

## BUSINESS/ECONOMY

# A dramatic shift in the patterns of work

**I**n a modern tale of two cities, there are economic losers and winners. In the black Galt Britain community of Port Huron, Michigan (population 3,856), the unemployment rate is a staggering 40 per cent. Two weeks ago the British Marine Industries shipyard went into receivership—with the loss of 110 jobs—because the company could not compete with subsidized foreign shipbuilders. That blow followed last year's closing of a federal ferry water plant, with the loss of 300 jobs—and the shutdown of a Gulf oil refinery in 1981. By contrast, more than 1500 km to the west, the city of Sherbrooke, Que. (population 140,000), has driven its unemployment rate from 39 per cent in 1982 to 16 per cent. When cheap foreign competition swamped the local textile industry in the early 1980s, mayor Jean-Paul Pelletier launched a campaign to attract new industries such as computer components manufacturers. "I said that I would run the town like a business," Pelletier told Maclean's. "We are changing the economic base of our

city to guarantee our future." The experiences of those cities demonstrate the wrenching economic changes that have revolutionized the modern job market.

Last month the national unemployment rate dipped below 10 per cent—to 9.8 per cent—for the first time since April, 1982. But since the recession of 1981-1982 and the ensuing recovery, the type of work being done and the location of that work have changed dramatically. From 1981 to 1985 the number of manufacturing and resource industries jobs that traditionally provided solid incomes for working-class Canadians has plummeted by 251,000 from 3.4 million because manufacturers have scaled back or ended production of some products using fewer workers. At the same time, the

number of service industry jobs—including low-paying, restaurant jobs and high-growth positions for professionals—has increased by 513,000 from 7.4 million. As a result, some economists say that the middle class may be shrinking—and that the unemployed have less chance to join it. There are also wrenching regional disparities: between 1981 and 1985 employment increased five per cent in Ontario, three per cent in Quebec, 2.5 per cent in Atlantic Canada and less than one per cent in the Prairies. In British Columbia it dropped 3.6 per cent.

These statistics illustrate the changing economy that this week's federal budget will try to address. Ottawa already has a \$21-billion employment strategy. Feds estimate that unemployment remains the prime concern of most Canadians, but few additional measures are expected in the budget. Instead, Finance Minister Michael Wilson wants to reduce the projected 1986-87 deficit of \$12.7 billion. As well, pressures from lobby groups for major employment initiatives have decreased because the job situation has improved. Since January, 1983, Canada has created 1.1 million new jobs. Last year Canada's employment growth of 2.8 per cent was the highest among the major industrialized nations.

Edmund Carmichael, senior policy analyst at Toronto's C.D. Howe Institute, for one, says that the economy is adjusting rapidly to increasing world competition. "Dynamic change is the norm in Canada," he declared. "People are moving into and out of jobs, into and out of industries, in a far more flexible way than in other countries."

But those encouraging employment statistics also tell some severe inequalities that could have grave implications. Carmichael says he is concerned by the growing differences in regional employment—and by the possibility that older workers in hard-hit provinces such as British Columbia will have difficulty finding new jobs.

"They have skills, but they are in the wrong place at the wrong time," he said on Canada's Atlantic coast, Maritima MacDonald, an economist at St. Mary's University in Halifax, pointed out that the participation rate—the percentage of the population over the age of 15 in the labor force—actually dropped in Nova Scotia to 53.2 per cent last week in the survey between September, 1984, and December, 1985. In contrast, the national

Pelletier: new boss



participation rate rose to an all-time high last month of 96.2 per cent—with 13.6 million people in the work force.

Other social scientists predict a bleak future for Canada's unskilled workers. They say that the number of high-paying blue-collar jobs will decline as industries become less labor-intensive—and ask our employees with more skills and more education. That trend could create a permanent underclass of unskilled and low-paid service-industry workers. In 1982 Ford Motor Co. of Canada, for one, changed

R. and called for more money for education and job experience for youth.

The annual Macdonald's Poll by Demos Research Ltd. picked up disturbing signals last fall when "class-based attitudes" emerged for the first time since Demos started tracking public opinion six years ago. Although most of the 1,257 respondents said they were satisfied and optimistic about their personal economic situation, the rise per cent who considered themselves members of the lower class generally stated that they were not satisfied or

shared no evidence of such a decline. The employment revolution began to affect large numbers of workers in 1981 when the recession hit Canada's construction, manufacturing and natural resource sectors. Some industries such as automobile manufacturing were able to restore employment levels—largely because their export market strengthened. Other manufacturing sectors, particularly the textile, rubber and furniture industries, have suffered permanent job losses—in some cases as much as 50 per cent. The resource

sector in the number of service sector jobs for managers and professionals. There are more jobs in the banking, insurance and real estate sectors, because the rise and sophistication of Canada's financial system have grown. Carleton's says that high-paying jobs in science and management, laid off during the recession, created many jobs by starting their own small service firms. Large corporations now buy that expertise on a contract basis. Paul Matthews, the director of graduate placements at Toronto's DeVry Institute of Technology, says that Toronto's "hot" employment market is now third-party repairs: large manufacturers who farm out repair work to small high-tech companies because it is cheaper than keeping experts on staff. But the service sector has also created many low-paying jobs for unskilled and semi-skilled workers, especially in the amusement and recreation industries as leisure time has increased.

The rise of the companies that are creating the jobs has also changed. Between 1975 and 1984 firms with less than 25 employees created a staggering 60 per cent of the new jobs. A decade ago the DeVry Institute placed 50 per cent of its graduates with a handful of large companies. This year 70 per cent of its 600 graduates will find work in small firms.

Few of these changes have escaped the notice of Canada's crumpling employment minister, Flora MacDonald. Three and a half years ago MacDonald spent three weeks on the shop floor at Bell-Northern Research, a producer of sophisticated high-technology equipment near Ottawa. She emerged with the realization that the job market was changing rapidly and workers would have to train and retrain throughout their lives.

As a result, MacDonald has shifted the ministry focus from temporary make-work projects to training programs. She scrapped the Canada Works program which treated seasonal and cyclical labor market fluctuations by creating short-term jobs. Instead, there are now six major training initiatives, including programs for workers in obsolete jobs, for the hard-core unemployed and for high school dropouts. Said MacDonald, "We live in a society that is going through the greatest revolution that has ever transpired."

MacDonald's approach has been criticized by both opposition parties. A New Democratic Party task force last week called for a \$1.8-billion program to provide allowances to young people to enable them to pursue an education or put on-the-job experience. And both the Canadian Federation of Labour and the Canadian Labour Coun-

gress have called for job creation spending to restore the country's degenerating infrastructure of bridges, roads and water systems.

Experts at the C.D. Howe Institute say that direct incentives to specific industries will not work, because most new jobs are produced by small firms, and it is difficult to predict the small firms that will become major job creators. Instead, the institute calls for changes in taxes, regulations and trade policies that will encourage growth.

Constant change appears to be the

one factor that Canadian workers will be able to count on. Corporalists point out that in 1984 more than five million people changed their employment status at least once. "There is a continual turnover, a constant and dynamic state of flux," he said. That quiet but remarkable revolution has broken, lighted or heightened lives across the land.

MARY HANIGAN with the from HALL, RUTGERS in Toronto, GENE LUTZKE in Edmonton, BERNIE ALEXANDER in Toronto, ALAN HALL in Ottawa, DAN BEHRE in St. John's, STEPHEN SCHMIDT and a NIGELA SMITH in Halifax and PAT BOYCE in St. John's.



Macdonald (second from right) shifting focus from temporary job creation to programs aimed at training Canada's youth

its minimum education requirements for manufacturing operations from grade 9 to grade 12. University of Toronto economist Jake Cropp says that these changes are the natural evolution of an industrial society. "In the past it was safe to assume that someone with a grade 10 education could easily get a relatively high-paying unskilled job," he said. "Now, the number of jobs in the traditional blue-collar market will definitely continue to decline as the professional job grows reverse."

The growth of that underclass raises some new and difficult social questions. Last week a special Senate committee reported that the current 700,000 unemployed youth between 15 and 24 could become "a lost generation." The commission pointed to the increasing gap between those with post-secondary education and those without

secondary. Said University of Toronto historian Desmond Morton, "Society itself" will be divided by class—and that class distinction will create hostilities similar to those in Prime Minister Margaret Thatcher's underdog Britain.

Some economists also say that the middle class will shrink—and that the upper and lower classes will grow—as the job market changes. The Economic Council of Canada recently completed a preliminary study showing that the middle-class share of jobs and employment income decreased to 41 or 42 per cent from 50 per cent between 1973 and 1981. "On the basis of that first count, there is preliminary evidence of middle-class shrinkage," said Keith Newton, the council's director of projects on technological change. But federal employment department officials told Macdonald that their data

industry also cut back, but jobs and profits remain low because commodity prices continue to be depressed.

The shifting pattern of employment in Canada's manufacturing and resource industries can be seen across the country in Montreal manufacturing now accounts for 35 per cent of the jobs—down from 32 per cent in the early 1980s. Canada's 50 largest private sector employers cut their work forces by about 100,000—about 19 per cent—between 1981 and 1984. Employment in British Columbia's forest industry has fallen from 96,000 in 1982 to 75,000 because of technological improvements. Said Ronny Kunin, federal employment department economist in Vancouver, "The only way to stay competitive is a worldwide search to have fewer workers per unit of output."

Canada has also experienced an in-

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## A sudden sell-off

It was an unexpected move from a businessman given to surprises. Sonovis Financial Corp. took Black surprised late last week that he had sold his control of Noron Energy Resources Ltd.—a major oil and gas producer that he recently described as "the jewel" of his Canadian holdings. The buyer, Toronto-based merchant banker Hoen International Corp.—a key holding company within the giant business orbit of wealthy Toronto brothers Edward and Peter Bramson. The \$300-million sale followed Black's audacious takeover of the prestigious London-based newspaper Daily Telegraph and its sister publication, Sunday Telegraph, over two months. Declared Montreal investment consultant Stephen Jurewicz: "The conclusion one can draw is that Conrad Black likes the print business more than the oil business."

Some observers within the business community said that Black may have sold Noron in order to help finance an ambitious expansion plan for the two British papers. Black's stake, valued at 50.1 per cent of the Telegraph for \$36 million from the aristocratic Berry family last December. Said Jurewicz: "We may not have been paying, sufficient at-

tention to Black's problems with the Telegraph, with its \$200-million expansion program and its tiff with the unions. That could require a sizable war chest. In short, he needs the money."

For Black, the Noron transaction was the last in a series of sales that has left him with only one major Canadian holding—the Vancouver-based newspaper chain, Sterling Newspapers. During 1986 Black dominated at staggered much of the business empire that he had built up during the 1960s and 1970s. In February he sold most of the best assets of his supermarket chain, Dominion Stores Ltd., to the Great Atlantic and Pacific Tea Co. Ltd. (A and P). Then, in May, he announced the sale of his radio and television chain, Standard Broadcasting Corp.

Now, Black will receive not only the sale price of \$300 million for Noron but also a link to the powerful Bramson



Black: surprising experts

empire. Hoen will pay \$120.5 million in notes and six million Hoen common shares, worth nearly \$165 million. The sale agreement also allows Black and two other nominees from his chief holding company, Hollinger Inc., to join the Hoen board of directors. And Black announced that through Hollinger he would likely join the powerful Bramson board and he added that the transaction would ensure Hollinger of a "substantial position" in a company with "one of the highest five-year profit growths in Canada."

The far-reaching Bramson network includes among its holdings Noranda Inc., MacMillan Bloedel Ltd., John Labatt Ltd. and Tridon Financial Corp. Even without Noron, the owner of Labrador Milling and Exploration Co. Ltd. and Iron Ore Co. of Canada, the Bramsons control a major portion of Canada's resource sector. Now, they have added another jewel to their empire.

Now, Black will receive not only the sale price of \$300 million for Noron but also a link to the powerful Bramson

—ANN PENLANDER in Toronto

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## BUSINESS WATCH

# Bleak prospects for an oil giant

By Peter C. Newman

**F**ifteen-dollar oil could very well be worse for the industry than the deep, dark days of the 1980s. So laments Arden Haynes, chairman of Imperial Oil Ltd., Canada's biggest multinational oil company.

Since Haynes had most the work before I talked to him described the National Energy Program as "an unmitigated disaster that brought the oil industry to its knees," his current mood clearly reflects the despondence sweeping the industry these days. Haynes estimates that every \$1 drop in the price of oil reduces his bottom line by \$40 million—and oil has plummeted from \$28 to about \$16 a barrel in the past eight weeks.

If that has been bad news for the industry, it means an even more devastating fallout for the Mulroney government, which pegged as much of its economic recovery platform on the Western and Atlantic Energy Accords. The megaprojects and their 300,000 promised new jobs will now prove unworkable in time for the next election. For the first time, the Tories' prospects in Western Canada are being threatened.

The most dangerous effect of the free fall in oil prices could be a showdown in the liquidity ratios of the major banks. They all still have large energy loans on their books, and as the Oil Patch companies slide into deeper debt positions—especially as interest rates rise—the bankers might have to restructure their loans. But the banks will no longer be willing to trade outstanding debt for oil company paper. The real crunch may come when the U.S. Congress applies its expected oil import tax—a measure gaining support in Washington as a way of protecting American energy companies and bank credits, while at the same time cutting the U.S. deficit.

Haynes, a 35-year Imperial veteran, is emerging as an oil industry spokesman partly because of his credible, low-key manner and partly because Imperial Oil's chief executive officer has always been something of a non-public figure. During the late 1980s Canada's most influential business magazine was *IMU Trade*, then Imperial's chairman. Haynes, who is also a director of Montreal's Power Corp. of Canada and occupies the Imperial chair at the Royal Bank boardroom, is

currently busy slaying his company's bad guys.

"We're going through the exercise right now of describing for ourselves the impact of various pricing scenarios," he said, "and we're taking \$15 a barrel as our base case. We're going to reassess our investment programs to our cash availability, defer a lot of investment, and hope that if things get better we can call back at least some

A decision will be made within six months on whether the Syncrude project in which Imperial belongs will proceed beyond its two-year engineering phase. The Cold Lake heavy oil development, once a mighty megaproject, has been downgraded and considerably slowed down. "There are no market forces in place right now that are upward on the oil price," said Haynes. "But by the early 1990s some of the traditional officials will start to decline, so that by the middle of that decade supply and demand should come into better balance. That could mean an opening for us to reorganize, which would shoot prices up again."

Haynes worries with good reason that most gasoline consumers are baffled and upset with the fact that lower oil prices have yet to drive down the cost of gasoline. The explanation he offers is that there are still 190 million barrels of relatively high-priced oil left in Canadian inventories. Pump prices no longer reflect world market rates, although there has been a recent drop. Still, oil seems to be one of the few commodities that refuse to respond to the laws of supply and demand. Instead of the old rule-of-thumb formula, which applied when prices were regulated, that a \$1-a-barrel change in the price cost of oil causes a 5% cost change in the price of gasoline, the two rates seem to have little relationship on the way down. (When oil prices go up, gasoline prices rise because the oil companies start buying their crude at the system cost rate—see that the benefits of the cheaper oil held in inventories are not passed on either.) The consumer gets shortchanged as never before.

Like all of his predecessors, Haynes tries hard to influence the federal government in his direction. Imperial is one of the few companies that maintains a high-ranking vice-president stationed in Ottawa (Rob Landry) as a full-time lobbyist. Haynes has also placed on retainer Paul Dunlop, a former Imperial executive who ranks near the top of those elements of Ontario's Big Bear Machine now active in federal Tory circles.

And what if the Liberals form the next government?

Haynes recently hired as his public affairs aide Dennis Butler, whose last job was press secretary to John Turner.



Haynes: shakeouts and falling prices

of the investment we had originally planned to make."

Imperial's capital spending in 1986 had been pegged at \$1 billion, with a scheduled increase to \$2.4 billion in 1986 and similar growth planned for the following five years. At the moment, those ambitious schedules are being cut back by as much as 40 per cent. Two-thirds of the \$900 million in remaining capital expenditures will go for the expansion of natural resource production. The exploration budget of \$900 million is being sliced in half.



Let work Britain's Prince Charles, 31, was the guest of honor at a celebration in Austin, Tex., which marked the 150th anniversary of the state's independence from Mexico. At Banger's Surfside House he was presented with a cowboy hat by Mayor Frank Cooksey. When press members urged him to put it on, Charles said, "Put it on? Oh, why not?" Then he pointed out that it was too big. Charles beamed as eight-month-old son Prince Louis, the ceremonial first slice of a 40-birthday cake and listened undisturbed when the Hyde Park Baptist Church choir sang "God Save the King." As Lady God Johnson's guest at a \$5,000-a-plate fund-raising dinner, he dined on chicken-and-sauce soufflé and chocolate fondant. Afterward, Charles held in his hands and engaged in animated conversation with headliner Willie Nelson—asking him at one point if he knew Johnny Cash. Evidently the prince pleased the movie: one young woman seemed willing to extend Texas hospitality to its heirs when she declared, "He can put his shoes under my bed anytime."



Prince Charles, a cowboy hat, sword and scabbard.

New York—the current favorite for such expertise as **Uroko**, **Spinalis**, **Prisco**, **Burt Reynolds**, **Shirley MacLaine**, **Mike Jagger** and **Tina Turner**. Another club is now under renovation in London, but Gabon says that will be his last one.

"I have an obsession of becoming the McDonald's of nightclubs."

**Magnusson; Mulroney** (left): guests of honor



Magnusson; Mulroney (left): guests of honor

At 15, he lost his left leg in a high-dive in his high school hockey game. At 19, he borrowed against his \$17,000 insurance settlement and opened a profitable jeans store. Two years later he started a dying country-and-western hotel in his native Cornwall, Ont., into a money-making disco. **Peter Galt**, 39, the Magnesian-based millionaire owner of a string of prepacious U.S. nightclubs called *Limelight*, wears a jaunty eye patch but his attitude is far from cynical. He attributes his success to "a lot of work" and to the fact that he is a "downer-looking investor." He adds that his analysis is better served in the United States. "Here people say, 'Gee, if he can do it, so can I.' In Canada they think, 'The s--- must have cheated and walked over a lot of people.'" Galt has sold his clubs in Hollywood, Fla., and Atlanta but says he will keep the one in Chicago and the flagship *Limelight* in

**Figure skater** **Karen Magnussen**, 35, has not performed fulltime since 1977 when her contract with the Ice Capades ended. But the five-time Canadian champion, who won a silver medal at the 1972 Winter Olympics in Sapporo, Japan, and a gold at the 1972 World Championships in Bratislava, Czechoslovakia, said that this year she had played a professional comeback—until she discovered she was pregnant with her third child, due in July. "But it's just a delay," she says. "I don't think I'm over the hill yet." Magnusson, who now lives in Bend, Ore., 30 km north of Seattle, was in her home town of Vancouver last

week as a guest of honor at a B.C. Sports Hall of Fame dinner. She said that although "there's no place like Vancouver," she enjoys New England life and feels like a native. "My husband has one of those big, warm Italian families, and around Boston you're either Italian or Jewish." She added, "That is, if you're not a Kennedy."

While Prime Minister **Brian Mulroney** attended the first francophone summit in Paris last week, his wife, **Mia**, was busy with a separate round of official activities in and around the city. She paid visits to Elysée, the centre for the disabled founded by Canadian humanitarian **Jean Vanier**, and to the opulent fashion chain of **Ellelita** (Bourgeois). Displaying an excellent command of French, she also opened the musical show *Superfrancophone* at the Canadian Cultural Centre. "I am so strange to Paris," she told *Mikroskop*. "I love this city." She said that she regretted not having the time to visit fashion designers as "to do what I love to do best—walk around this beautiful city." But she added, "Brian and I did not come provide cars together the night we arrived. We had a lovely reception dinner at La Tour d'Argent to celebrate Valentine's Day." Said Mia, "There will always be a very special place for us. We spent our honeymoon here 12 years ago."

—BOB BY MARY MEYER



Flooded cars in southern California; foghorns, savage Pacific storms and a return to milder weather conditions

## WEATHER

# New theories about the foul weather

The Toronto Maple Leafs were among the more visible victims of freakish midwinter weather conditions across the continent last week. After fog shrouding most of southern Ontario delayed the National Hockey League team's departure from Toronto's Pearson International Airport for almost two days, the players arrived in Edmonton only two hours before the start of a Wednesday-night game with the home-town Oilers. Barely a match for Wayne Gretzky and his teammates at the best of times, the worst-oft Leafs lost 9-5. But the foghorn, which forced the cancellation of flights at Canada's largest airport for about 36 hours, was only one of several weather systems causing havoc across the country. While Ontario experienced conditions more typical of a Vancouver winter, an arctic snow brought freezing temperatures, snow and sleet to the British Columbia coast, creating hazardous driving conditions in many communities poorly equipped for clearing streets. And on the East Coast unusually thick ice clogged the Cabot Strait, trapping 16 freighters at one time between Cape Breton Island and Newfoundland.

Insurance officials in British Columbia said they expect motorists to submit about \$1 million worth of auto accident claims because of last week's rare icy conditions. But the storm

sweeping in from the Pacific caused more severe damage in the United States. There, rain and high winds caused flooding and avalanches that killed at least 13 people and forced the evacuation of an estimated 10,000 people in northern California, southern Oregon, Nevada and Utah.

The savagery of the storms

Stranded travelers: grounded planes



Stranded travelers: grounded planes

strengthened the theory that North America's weather has worsened in recent years. Records kept by U.S. and Canadian meteorologists confirm that the world's weather has become more severe since 1952. In the past 14 years there have been more storms, greater extremes of heat and cold and more dry spells than during the previous two decades. But researchers at the U.S. National Oceanic and Atmospheric Administration in Washington said that the harder conditions are normal. Meteorologists are still trying to determine the factors that brought the milder cycle to an end, but they have explanations for some of the changes that have occurred since then. For one thing, large-scale volcanic eruptions of ash and sulphur dioxide—such as the March 26, 1982, eruption of El Chichón, 650 km south of Mexico City—block heat from the sun and result in lower temperatures in the following months. But for the people who confronted last week's floods, fog and pack ice, meteorologists at least offered a glimmer of hope for the future with the aid of weather satellites and more powerful computers they are confident that—whatever the weather—their ability to forecast it is improving.

—MALCOLM GIBBS with meteorologist's input



Removing Tylenol from drugstore shelves: sabotage, death and still no arrests

## CRIME

# Searching for a killer

**T**hey had no motive, no suspect and few solid clues. But government chemists and police investigators, the Feb. 4 death of 38-year-old Barbara, N.Y., storeowner Diane Ehrlich confirmed their frustrating search last week for a saboteur who slipped cyanide pills into Extra-Strength Tylenol pain-relief capsules. By month's end, all they knew was that two bottles of contaminated Extra-Strength Tylenol were found this month on the shelves of two Westchester County, N.Y., stores. While investigators linked the capsules from manufacturers to eventual sale, the maker, New Jersey-based Johnson & Johnson, announced that it would stop producing over-the-counter Tylenol in the gelatin capsules. Said company chairman James Burke, facing a recurrence of the nightmare that claimed seven lives in 1982: "We feel the company can no longer guarantee the safety of these capsules."

As they did 30 years ago when seven Chicago-area people died after swallowing cyanide-laced Extra-Strength Tylenol capsules, police again confronted a crime that claimed victims randomly. The Illinois murders remain unsolved, and there was renewed concern that "copycat" saboteurs could go beyond attacking the latest incident and contaminate food products. Indeed, on Feb. 10 a Schenectady, N.Y.-based supermarket chain

pulled Gerber baby food products off its shelves after a local customer said one from nearby Gloversville, N.Y., reported finding glass in two jars.

With the new Tylenol scare, the drug industry was once again shaken as customers viewed drugstore products with suspicion. But Johnson & Johnson was the only pharmaceutical firm among more than 80 companies that produce drugs in capsules to remove their capsules from the over-the-counter market and replace them with oval-shaped tablets known as caplets. There, like regular tablets, available as discolor if tainted with poison. The move will cost the company \$195 million in lost sales and factory retooling.

Drugs packed in capsules have become common since their introduction in the mid-19th century, mostly because consumers find them easier to swallow. But the capsules are considered vulnerable to tampering because the two gelatin halves can be separated and refilled with a different powder inside without any visible sign of tampering. Still, John Walden, senior vice-president of the Proprietary Association, a U.S. representative representing 80 nonprescription drug makers, said a capsule has no seal and is vulnerable to the delectable isopropyl.

As the police investigation continues, some physicians tried to substitute the Tylenol murder: Dr.

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Donald Lunde, a forensic psychiatrist and assistant professor at California's Stanford University, said the killer is "almost certainly a white male in his 30s or 40s." Basing his theory on similar cases, Lunde, the author of the 1993 book *Murder and Madness*, declared, "This is somebody with an obsession, a pathological hatred for somebody who becomes identified with a particular product." Like Lunde, Dr. Helen Morrison, a Chicago psychiatrist who has extensively studied mass murderers, speculated that one killer was responsible for both massacres because "the similarities are much too striking—the tremendous cunning is one of the big characteristics."

In Berkeley, B.C., Duncan Chappell, professor of criminology at Simon Fraser University, expressed concern about the impact of publicity on other potential saboteurs. Said Chappell: "It's a horrible dilemma for society generally and the media particularly because people have a need to know this information, but the danger is the danger that some people will learn the methods and use them."

For the police, the absence of genuine extortion notes sets the Tylenol case apart from other examples of product poisoning. Two years ago a case of Japanese encephalitis demanded \$250,000 from a controversial firm after placing cyanide-based study on supermarket shelves (the company rejected the extortion demand). In 1981, as Oregon was receiving a 30-year prison sentence for selling cyanide to a case of poison and the cause in a San Diego supermarket and demanding 500 discounts. And in 1978 five Dutch children were treated for mild mercury poisoning after they ate contaminated lentil oranges. Later, an Oregon Poisoning group claimed responsibility for poisoning shipments of fruit boxes for Europe.

At week's end the U.S. Food and Drug Administration was testing Extra-Strength Tylenol capsules while Johnson & Johnson received its 30,000 pounds for possible suspects, and posted a \$100,000 reward for information leading to an arrest in the case. The FDA revealed that the potassium cyanide that killed Ehrlich was different from the cyanide that claimed the seven Chicago area victims, but investigators did not rule out a link between the cases. Indeed, the Illinois state police sent a file containing 6,000 leads as the 1982 murders to New York investigators. Even so, said U.S. Federal Bureau of Investigation spokesman William Baker: "Right now we have no suspects."

—KEVIN SCANLON with LARRY GILBERT in New York

## A question of safety

It has been one of the blackest periods in the long and illustrious history of the country's railways. It started on Feb. 8 with the head-on collision of a Canadian National freight train and a Via Rail passenger train in Alberta that left at least 39 people dead and 82 injured. Four days later two Canadian Pacific freight cars derailed near Parry Sound, Ont., spilling sulphuric acid into Georgian Bay. Seven days later 42 people were injured when a Via passenger train derailed a CN freight on a siding just outside Quebec City. Later that day a derailment of 19 CN freight cars near Fort Langley, B.C., spilled 63,000 gallons of ethylene dichloride, a toxic solvent used in automotive antifreeze. The crash at the Fort Langley yard was unusual; it happened as federal Transport Minister Donald Maniwonko met railway officials in Ottawa to discuss his concern over the earlier crashes and derailment. Declared Maniwonko at week's end: "What we're trying to do now is re-



Maniwonko searching for patterns.

store the public's confidence in the rail transportation system."

On Feb. 15 Maniwonko announced a comprehensive series of safety reforms. With investigations still under way, Canadian Transport Commission officials have suggested human error is the most likely cause of the Hudson and Quebec City accidents, and many of the new measures will increase supervision of the crews running passenger and freight trains. At the same time, CTC officials have committed their inspectors to test all control, signaling and switching equipment in use across the country. And the transport minister gave the commission another huge task: searching for patterns in the 729 railway accidents that have occurred since 1981.

But some critics were not convinced that those measures will produce safer rail travel. John Lakowicz, an engineering professor at Ottawa's Carleton University and author of *The Railway Game: A Study in Sociotechnological Obsolescence*, said that the announced reforms will not solve the most urgent problem: modernizing a rapidly aging railway system. Declared Lakowicz: "The point is that if you have poor technology, no amount of regulations or inspections will do the trick. Unless they

convert fields, nothing will happen."

For their part, railways and CTC officials reject such criticism. Said Keith Post, director-general of operations for the CTC's railway transport commission: "To say the state of our railway is in first class, we have mechanical failures out there like they have any place else. Hopefully we'll be able to reduce the number. That's our objective." Indeed, the rail companies responded quickly to Maniwonko's initiative. CN and CP Rail sent letters to 80,000 employees stressing the need to adhere to all safety regulations. As well, CN and CP engineers, trainmen and conductors who have not had checkups in the past six months must now undergo medical examinations.

For its part, Via Rail, the federal Crown corporation that operates passenger trains on CN and CP tracks, will spend at least \$500,000 on safety improvements, including on-board radio telephones which will allow onboard crews to communicate with stations along the route and the control centre in Montreal. Some of the funds will be used to upgrade train employees' skills in first aid and evacuation procedure, many of the passengers injured in the Quebec City accident complained that. Via personnel did not react quickly enough and charged that they did



Accident site near Hudson.

not know what to do in an emergency. Uncontested that the initiatives were enough, Lakowicz said the CTC's own figures—an average of 300 derailments, 100 collisions and 400 crossing accidents a year—do shift a large part of the blame to outdated and inadequate equipment. In particular, he criticized the continued use of manual switching and signaling systems and wooden ties with metal spikes instead of concrete ties which can be loaded more effectively to the rails.

But railway officials countered that the CTC accident figures include all "reportable incidents"—any accidents which involve dangerous commodities, cause more than \$150 in property damage or result in any personal injuries, even such minor mishaps as a cat finger. Declared CN president Donald Lawless: "You have to keep those reportable incidents in perspective. If one looks over a lengthy period of time, we have not had the kind of unfortunate accidents that have taken place over the last week." Now Maniwonko, train crew members and passengers who travel by rail are counting on the new reforms to keep it that way.

—BELAN JEFFREY FREEDY in Toronto

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## A TV debut in France

They were promised "European television." But when millions of French citizens tuned in last week to the debut of France 5, the country's first commercial network, the face was closer to what some critics called "Ozzy-Coke and spaghetti television"—mostly American soap operas and Italian quiz shows. President François Mitterrand also came under fire from his political opponents for granting the coveted broadcast license to a close friend, businessman Jacques Seydoux, and controversial Italian television magnate Silvio Berlusconi. The dispute was another blow to Mitterrand's Socialist administration which, according to recent polls, could lose its National Assembly majority in the March 16 parliamentary elections. Said Alain Peyrube, a former conservative cabinet minister: "The Socialists are making sure they have safe seats in the media from which they will denigrate the next government."



Berlusconi: a powerful new influence

and Seydoux last November. For one thing, French film-makers are concerned about Berlusconi's potential influence on the French film industry. Indeed, such directors as Bertrand Tavernier and Claude Lelouch, claiming that Berlusconi's flashy TV production keep potential newsmakers at home, have nicknamed him "the grandmaster of Italian cinema." Critics note that only one program in the network's regular lineup—a game show—will be produced in France. On the political front, right-wing politicians including former prime minister Jacques Chirac have vowed that if they regain control of the government they will break the contract with Berlusconi because of his Socialist affiliation. Said Chirac, who is currently the mayor of Paris: "I won't have Berlusconi at any price."

Even some ardent Socialists among the French artistic community objected to Mitterrand's selection of Berlusconi—at least partly because France 5 is exempt from French content requirements. The choice angered director Tavernier so much that he returned his Chevalier des Arts et Lettres medal, an award for distinguished service to France, and called for Culture Minister Jack Lang's resignation. Declared Tavernier, president of the national film producers association: "French television and cinema have simply become electoral pawns."

Before France 5, French TV consisted of three state-controlled networks offering a mixture of variety shows, current affairs programs and dubbed versions of British, American and other American programs. Until the Socialists came to power in 1981, French governments had maintained tight control over TV news. And cabinet ministers would scrutinize the proposed lineup for newscasts and order cuts or additions—a practice that began in the late 1960s under the presidency of Charles de Gaulle and ended in the late 1980s.

In just seven years Berlusconi has built the world's fourth-largest television empire—only the three big U.S. networks are larger. He controls 90 per cent of Italy's private television—three networks—and recently purchased Spain's largest production company, which leads critics to believe there will be few French-made programs on France 5 in the future. Former Italian director Federico Fellini acknowledged that Berlusconi's career inspired his latest film, *Ginger and Fred*—a scathing denunciation of commercial television. That film is now playing in packed French movie houses, but French film-makers worry that Berlusconi may boost the television ratings by stealing those audiences

—LUCY PARKER in Paris

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# Hot art in a cool medium

It was a case of artists seeking revenge against television. Eleven years ago in a San Francisco parking lot, a souped-up 1959 Cadillac smashed through a wall of burning television sets at high speed. While TV cameras turned the spectacle into a colorful item on the evening news, the organizers, a local artists' collective named Art Farm, used their own cameras to create a non-classic videotape titled *Media Burn*. Video art—television's rebel offspring—has indulged in iconoclasm since its origins in the 1960s. But now video artists are emerging from the underground into the mainstream. This summer visitors filling through the Expo 86 Canada Pavilion will see a TV wall very different from the one celebrated in *Media Burn*. Designed by Toronto video artist John Watt, it consists of a computerized panel of 168 screens displaying a five-minute work of art—at a cost of \$3 million. Indeed, despite a burst of recent controversies, video artists are at last beginning to paint themselves into the big picture.

For one thing, they are enjoying broad exposure. This week marks the opening of *Lawrence Stein*, a show of 10 video exhibits that will spring up across Vancouver in locations ranging from art galleries to office towers. Meanwhile, Canadian video artists have established a considerable reputation abroad. Their art has been exhibited prominently in museums and video festivals from Paris to Tokyo, and last month Canadian artists were featured in a one-hour series of video art titled *Glands in the Machine*, aired on Britain's independent Channel 4. Montreal-based curator Bruce Ferguson, a former assistant curator of contemporary Canadian art at Ottawa's National Gallery, helped choose the entire program's content.



Linker: Well and video well: 'you could argue that video art is an indigenous Canadian form'

Brad Ferguson. "You could almost argue that video art is an indigenous Canadian form."

Still, video artists face a basic dilemma: although they use the world's most powerful medium, their work has rarely reached television's mass audience. Instead, work by such prominent Canadian video artists as Colin Campbell and Noel Harding are showcased in art museums and in a quasi-private network of small, community-run video galleries funded largely by government grants. Although it is a young art form, video encompasses a wide range of styles: various artists have treated the picture tube as a performance medium, a natural look, a documentary vehicle, an abstract canvas and as a building block for a TV sculpture. But a common theme running through video art is its opposition to conventional television.

Last year Toronto director Lisa Steele and Kim Tomczak won first prize at Vienna's Video Biennale for a tape consisting largely of reshuffled images from broadcast television

Playing with feedback—TV's capacity to mirror and repeat—has been sought or exploited there for the first generation of video artists. Explained Marina Lewin, a cofounder of Toronto's Video Cabinet performance group: "After growing up with 12 or 20 years of one-way television, we all fantasized about being on it."

Video artists first began toying with the fancy images provided by the original Sony Portapak camera in the early 1970s. Now, a revolution in video technology is opening up a dazzling array of expensive techniques—leading some artists to abandon the fringes for commercial modes that allow them to mingle in a new visual vocabulary. At the cutting edge are computer graphics, which erase both the lags introduced by circuitry and alien landscapes for rack videos. Even the term "video," which artists treated as their own property, is now more commonly identified with a home appliance.

Artists in the rapidly changing medium are still struggling to stake out

their personal terrain. Watt says that he relished an opportunity to work on the big-budget canvas of Expo's video wall—even if he is required to fill it only with commercially promotional images of sailboats, airplanes, trains, schoolbuses and even flags. "I took the project," he said, "because it gave me a chance to work within this medium."



Wright's Lisa Steele, Steele's Spinning Sockpuppet Journey: 'Not, raw, controversial, extreme'

But Canadian video artists are usually restricted to a more modest scale because government grants are small. And despite their international success, domestically their work has been hampered by feuds with museum directors and censors. Since last fall in Ontario, major galleries have stopped showing video altogether because artists refuse to submit their tapes to the Ontario Film and Review Board for approval. Although the provincial government revealed plans last week to exempt galleries from censorship, video makers called the action a token gesture, because censorship shows could still be instituted.

Meanwhile, a debate within the Vancouver Art Gallery (VAG) about the merits of a video work has led to a legal battle in a Vancouver courtroom this summer. Local video artist Paul Wong will continue his suit against the VAG for breach of contract the first time an artist has sued a public gallery in Canada. In 1984 the gallery cancelled an exhibition of Wong's nine-hour epic, *Confused Sexual Views*, less

than a week before it was scheduled to open. Luke Bombard, then vice director, overruled his video curator, JoAnne Berne Danker, who had opposed the show. Bombard decreed that Wong's tapes—which contain a multiplicity of sexual acts, candid interviews with people about their sex lives—were not traditional art



Danker, now the VAG's director, agreed. Confused's varied images are generally "cool, detached, voyeuristic," she said, "while the subject is hot, raw, controversial, extreme. I found it absolutely riveting."



Across Canada artists are questioning the basic commitment of public galleries to video. Ottawa currently subsidizes video artists with annual grants totalling more than \$1 million from the Canada Council. But in De-

monton, when the National Gallery dismissed its curatorial assistant in charge of video, Robert McFadden, and did not replace him, some members of the arts community were incensed. A letter from a coalition of Toronto video producers said that the action "violates video as an 'expendable' art form." Officials at the Ottawa gallery,

which owns a collection of 262 videos, replied that budgetary constraints forced it to cut back its video program until its new building opens in 1988. Toronto curator Peggy Gale, who is currently preparing a \$100,000 show of Canadian video art in four North American museums, said that the decision reflects a unique predicament which confronts video artists: "Video has always been borderline," declared Gale. "A museum may not be the best place to look at it."

Still, a good deal of video art requires public space, where it can be displayed on a wall-sized installation of monitors. Toronto's Spinning Sockpuppet Journey—which appears in the foyer of the VAG this week as the opening exhibit of Vancouver's city-wide *Lawrence Stein* exhibition—uses 26

video screens arranged in a rock garden. The installation shows vivid footage of salmon fighting their way upstream in Scotland. Near Seattle, a work by Vancouver's birthplace in Vernon, B.C. With a technique she calls "negative editing," Steele re-

presents short sequences five or six times in a row, turning the images into a locus of texture and rhythm. Steele explained, "It's a matter of building up layers like is painting or sculpture." A former sculptor herself, she now lives in New York but has shot videos in locales ranging from Kenya to the Galapagos Islands. Focusing on wildlife subjects, she does not use the glossy techniques of commercial television. Mistaking editing to be only a means of

Steele—and such artists as Toronto's Jane Wright, whose works include *Love Birds*—turn video images into a

kind of formal poetry. By contrast, some artists are using high technology to tackle the mass media on their own terms. Another Canadian working in New York, Calgary-born Arlene Lester, employs a full arsenal of gadgetry to make her art visualizing and assembling living computers that bend, freeze, tilt and spin images. Lester spent a year completing an intense 17-minute video titled *Reel*, which was aired last year as the American PBS network, inspired by Donnie DeFazio, it pictures the various video as a computerized structure in which souls are stored on digital discs and tortured with video effects. Noting that the New York studios that erase the effects allowed her to work at night for less than \$100 an

hour, Lester described herself on the ball as "A Hammer," they hosted a festival titled *Art Video Art* and they streamed local television news coverage of their campaign with the slogan, "This is a job for politicians." Canada's video community has in fact become an arena for activist politics. Two weeks ago a partisan crowd of 100 spectators jammed Toronto's A Space gallery to view the premiere of *No Small Change: The Story of the Robert Stride*, a 16-minute video shot during last year's six-month walkout by department store workers Kim Teneck, manager of V/Shop, a Toronto video distribution and information service which sponsored the showing, said. "The closed-circuit net-

working by a well-known Canadian artist, 1991, the younger generation of video artists tends to be more interested in using its work broadcast than reflected. Schooled in the slick techniques of the latest technology, its members are often reluctant to turn it into a style for personal or political content. Dedicated Montreal outsider Filigree "The first generation of video artists remembers when there was no TV. The younger generation accepts it as the environment." Montreal video director Françoise Girard, for one, has already acquired a serious reputation at the age of 33. Girard's *Le Tron*—a dramatic sequence of a railway engineer using his past reflected through windows—won two prizes last year at a video festival in Geneva and Tokyo, and his company, Zone Productions, produced a \$102,000 program of video clips which aired on Radio Canada. But Girard says he is still wary of commercial television. "To be accessible, we have to have visual clarity," he said, "but we have to present television's accepted structures."

Video art still awkwardly straddles the worlds of television and conceptual art. Before Expo 86 commissioned Witt and his colleagues to produce the video wall, he had spent 15 years making tapes for a fringe audience. His most recent work, a 15-part series studying industrial surveillance systems titled *Industrial Track*, had a budget of \$30,000. Of the video wall's \$30,000 budget, the technology alone at worth \$2 million.

The video wall displays a shifting mosaic of images, simultaneously beamed from 14 laser discs and compressed into a continuous live-image show. A single image can be repeated across any of its 104 screens or manipulated to fill the entire wall. But Witt's kinetic horizons were strictly defined. His work is a commercial for Canada. It opens with a shot of Canada's satellite arm and ends with a vista of Canadian flags. Said Witt, "One question that crops up continually is, what does this have to do with art?"

At video artists continue to forge their difficult compromise between art and commerce, their time may melt into a river. But despite technical difficulties, by stretching the boundaries of television, they are fulfilling one of art's basic goals—changing the way people view the world.

—BRIAN D. JOHNSON with MARK RUTCHIN in Vancouver

## ENVIRONMENT

# Mislaid plans in Africa

Fishermen working the waters of Africa's Lake Victoria often find their fragile plans nets leaving apart under the weight of Nile perch—an unusually large species of fish that can grow to six feet long and weigh up to 300 lb. But instead of deriving prosperity from such catches, the residents of Kenya, Uganda and Tanzania villages around the lake are suffering from the economic consequences of a plan

Cardinal per pound—about 18 per cent of the price they received for such threatened valuable species as tilapia, a freshwater fish.

The growing crisis results other related experiments, including the introduction of mosquitofish to the Caribbean and Hawaiian Islands in the 1960s to control rats and snakes. There, the first-stage mammal imported from Asia and Africa became a



As the fishermen's stagnation, fragile plastic nets and falling prices for fish

that was meant to provide a reliable source of protein. Indeed, many experts say that the introduction of Nile perch into East Africa by British colonial authorities 36 years ago was a genetic ecological disaster that will result in the loss of almost all of the lake's native fish. Said biologist Dr. Kees Borel of Leiden University in Holland: "From a biological standpoint, there is no other example of so many species being at risk of extinction."

Borel and a team of scientists who have studied the native species in Lake Victoria during the past decade reported to the United Nations Food and Agriculture Organization in 1984 that the perch's voracious feeding habits have either eliminated or greatly reduced at least 200 fish species unique to the third-largest freshwater lake in the world. As a result, other species—including Australia—have dropped plans to introduce the perch in their lakes. In Lake Victoria itself, perch catches are so abundant that fishermen are getting only 30 Tanzania shillings (equivalent to about \$1.30

per pound) for each fish. Borel believes that the Lake Victoria stock—free from Lake Albert and Lake Rudolph, both within 500 km to the north—could be an even greater ecological disaster. The reason: the perch have largely eliminated native fish which eat insect larvae, water snails and algae—organisms which take large amounts of oxygen from the water. And according to Borel, an irreversible process of stagnation may have already begun in the lake.

To avert this looming disaster, some Tanzanian government officials are considering asking members of the European Community to send stronger plastic nets to Lake Victoria's 50,000 fishermen—an estimated 400,000 fishermen, that would help them control the perch population. But those nets will not rid the lake of the thriving newcomers, and Lake Victoria is likely to remain the victim of an experiment that worked too well.

—BRYAN BOLLAS in Geneva



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Girard's Fog Area, featuring Quebec singer Michel Gosselin performing television

hour—they charge commercial clients as much as \$1,000 an hour—Lester said. "The engineers get tired of doing commercials, and they like to support artists who come in with a fresh ideological viewpoint."

A number of video artists say that they try to serve as television's conscience—an antidote to what they say are the medium's numbing influences. Among the Canadian pioneers of media parody, Toronto's three-man group General Idea has revolutionized video installations with live performances, touring art, fashion and politics to win an international reputation. In 1980 General Idea, represented Canada at the Venice Biennale—the world's largest festival of contemporary art—with a tape titled *Tat Taba*. Another activist group, the Hammer Sisters of Toronto's video Gabriel, won wide attention in 1980 when its three members—Deanne Taylor, Janet Burke and Jennifer Dore—ran a spirited majority race against Toronto incumbent Art

work in growing at an incredible rate. Labor groups, women's groups—everybody's got a vote."

What most distinguishes video from television is its use as a personal medium. Norman Coak, 39, an artist living in Montreal, for the past 15 years has been making intimate video portraits of subjects ranging from a rock musician to a priest in an old-age home. Avoiding the standard documentary techniques of narration and interview, Coak says, "I don't make tapes about people, I make tapes of people." His tapes were the subject of a one-man exhibition that opened at the Art Gallery of Ontario in 1984 and toured six museums across North America before closing last December.

Video art raises a complex community, but one common feature among artists is the difficulty of living off their work. Many galleries pay only about \$500 to purchase videos—much less than the market value of a small



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#### ADVERTISING

## A battle over blimps

The latest dispute between U.S.- and Japan-based corporate giants centres on an unlikely object: the blimp. The Ohio-based Good-year Tire & Rubber Co.—whose strategy that has sailed through U.S. skies for 65 years—has launched two court challenges against Fuji Photo Film U.S.A. Inc. over the film company's two-year-old driftable promotion. Officials of the U.S. firm hope to convince federal and state courts in Nebraska and Florida that by offering its customers beach balls shaped like blimps, running a game called Blimpie and featuring Airship Fuji in a television commercial, Fuji has violated "numerous" trademarks held by Goodyear. Such Good-year spokesman Howard Wiley. "We are not objecting to them flying blimps with the word Fuji on them. The problem is the use of them in advertising and promotion."

Until recently, the \$1.5 million Good-year spent annually on its three U.S.-based airships (all built by the rubber maker's aerospace division) assured the company of a monopoly on the blimp as its corporate symbol—in North America, at least. But Fuji launched its assault on that rule during the 1984 Olympics with a craft loaned from British-based Airship Industries Ltd. The Fuji blimp aired above the opening ceremonies, its sides covered with advertising boasting about the firm's status as the official film of the Los Angeles Games.

For its part, Fuji Photo officials refuse to accept Goodyear's argument that trademark registrations give it the sole right to reproduce the blimp shapes in advertising. Said spokesman Thomas Rios: "The companies are without merit and we intend to defend our position vigorously." Meanwhile, Fuji plans to go ahead with its airship advertising. The cases—in two states where courts uphold trademark laws most strongly—are expected to last for several months. Still, although Goodyear is powerless to prevent other firms from using blimps to carry advertisements in the sky for the time being, company spokesmen say they are hoping that a court-ordered restriction on their use in advertising will eventually knock the competition from the skies.

—IAN ANDERSON in Washington



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## A renegade among royals

MC: THE ADVENTURES OF  
A MAVERICK PRINCESS  
By Barry Everingham  
(Bantam, 186 pages, \$22.95)

Last year British newspapers reported that Princess Michael of Kent's father had been a Nazi. That revelation serves only as a curate's-egg for the fugitive love affairs and arrogant behavior featured in Australian journalist Barry Everingham's fast-paced, unauthorized biography, *MC: The Adventures of a Maverick Princess*. But then, Maria-Christine, whose husband, Prince Michael, is the Queen's first cousin, is known in Britain as "Princess Posh" and has never been popular with her royal in-laws. Everingham writes that the latest scandale have sent her "sliding back down the slippery social slope that she had clawed her way up with so much skill."

Born in Czechoslovakia on Jan. 15, 1945, Maria-Christine von Reibnitz was raised by her divorced mother, Countess Ragnhild-Kocanova, in Australia.

She had her first brush with the press at 18 after visiting Africa to hunt big game with her father—who at that

time was a farmer in Moonahouse. Then, in 1965 she moved to London, where her passion for the hunt remained intact. After a brief marriage to a British businessman ended in divorce, she told a friend, "I've got a bit fish on the hook, darling. I'll let you know who it is when I've landed him." It was Prince Michael. Because she was a Roman Catholic seeking to wed a British prince, her 1970 marriage required both royal and papal approval. Maria-Christine negotiated that complicated procedure with finesse, later events proved less manageable.

Last April, confronted with evidence that her father had been a peripheral

member of Hitler's elite in (Schulz-staffel, or "defense echelon"), she claimed in a television interview that she was surprised and horrified at the disclosures. Then, the popular Sunday tabloid *News of the World* reported that she was romantically involved with U.S. real estate millionaire J. Ward Hunt. The newspaper published photographs of a red-haired mystery woman wearing a

trust—her royal identity made clear by a distinctive bag belonging to Maria-Christine. Everingham says that to avoid the ensuing publicity, the princess feigned a nervous breakdown and checked into an exclusive London hospital.

Asending a royal biographer's usual broomsticks, Everingham offers a balanced account of a quixotic and charismatic princess. In fact, his book's last image is one of her vulnerability—of a woman who secretly prays at public functions, "Dear Lord, please don't let me make a gaffe."

—THOMAS SHERIDAN



Princess Michael still

## TELEVISION

## From Russia with love

PETER USTINOV'S RUSSIA  
ATV, Sundays at 10 p.m.,  
beginning March 15

Partly, ungun-wielded Peter Ustinov appears most frequently to Canadian television audiences as a highly bewitched tourist in American Express ads. But in the six-part, one-hour series *Peter Ustinov's Russia*, the talented writer and actor takes a real journey, guiding viewers through the history and crises of a country he clearly cherishes. An avowed internationalist, Ustinov sets out to refute the West's traditional image of the Soviet Union as chaotic and repressive. The Russia he reveals is a heartwarming patchwork of gilded churches, energetic crises and human faces. But for all its optimism, the diversity of the Soviet Union, the production gets bogged down—like so many invaders of that land—in Russia's sheer immensity.

Confronted with about 16 centuries of absorbing history and a nation that spans 11 time zones, Ustinov and di-



Ustinov, gilded churches, human faces

rector John McIlver have tried to cover too much. The result is a narrative that strays bewilderingly and may not sustain viewer interest. Ustinov is a wonderful talker, but even he—and countless shots of art treasures—cannot fulfill television's need for action, gripping images. To redress that, Ustinov has borrowed the history lessons of the series' earliest shows by using dramatized interviews with Ivan the Terrible and Lenin, among others, played by Russian actors. That technique is rarely as successful as the inclusion in later programs of archival film footage. Indeed, the sight of the last czar, Nicholas II, and his entourage fighting with enter-baiting snowballs in midsummer offers a compelling image of the decadence of the petrochemical ruling class.

There is much else in the series that deserves waiting for, from vintage Ustinov clomping to breathtaking shots of the Russian landscape. Still, the series' glaring lack of access to ordinary Russians says more about politics in the Soviet Union than Ustinov's many internationalism would indicate. *Peter Ustinov's Russia* is a one-eyed view of serious quality: those who would forget out the choice but must run the continual risk of indignation.

—JOHN BERRIDGE

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# A travel guide to the global village

It was the most spring moment in the filming last winter of the television series *Peter Ustinov's Russia*. The temperature hovered at -60°C inside the unheated 16th-century Moscow concert hall, Dvortsov, and Ustinov's lips were so numb that he repeatedly barked the word "Moscow." Behind the camera the lively, intense Canadian producer-director, John McGreevy, grew impatient. Finally he told Ustinov to get a grip on himself. Chastened, the veteran actor struggled for composure and mastered his lines. Ustinov said later: "He's a hard driver—but I trust him." Several European production companies had bid for the opportunity to adapt Ustinov's 1980 book, *My Russia*, to TV—but Ustinov invited McGreevy, an independent Toronto-based filmmaker, to take on the project because he says that he had fond memories of working on the Leningrad episode of McGreevy's acclaimed 1978 *Cities United*. Said Ustinov: "John has a very independent and fast way of working, with all the best journalist instincts."

These instincts have helped establish McGreevy's reputation as an intelligent producer who brings a blend of business acumen and creative daring to his work. A decade ago he claimed the 1978 ACTRA award for best producer with *Breakthrough*, *The Lark* and *Times of New Athens*, which displayed his trademark combination of dramatic segments and documentary footage. Now 48, he has produced such ambitious projects in the *Cities* series, which premiered on CBC TV and was later broadcast in 30 other countries. His 13 parts featured celebrity scores ranging from John Huston's Dublin to pianist Glenn Gould's Toronto. The best athletes and often improved glimpses of their cities as McGreevy won gold medals at New York's International Film and Television Festival. Then, in *Joselyne*, the atmospheric activist became the first television producer permitted to film the annual meeting of the (Poets, Playwrights, Essayists, Editors and Novelists). McGreevy's study of the volatile proceedings will be telecast on CBC and

run this fall. Said Toronto *Left* magazine publisher Peter Herndorf, a former CBC vice-president: "Networks are loath to take his projects. His career is on high gear."

In production circles, McGreevy's less business-oriented are legend-

bar for her *Cities* segment. Recently, after pressing Soviet authorities for six months, he became the first Western producer to film inside Moscow's famous Tretyakov Gallery. Said Herndorf: "He is absolutely relentless. The man's success comes sharply



McGreevy in Moscow's Red Square, a hard driver who blends business acumen with creative daring

say. He limits his field crew to six people, when a dozen is more usual. He works from a tiny one-room office with associate producer Jennifer Patcher and a secretary, spending much of his time on the phone harrying with networks, writers and performers. He likes to claim that his *fires control* has kept all of his projects within budget. McGreevy was able to convince hosts in the *Cities* series to work for a fraction of their normal fee. Said John Neill, artistic director of Ontario's Stratford Festival, who acted in two McGreevy productions: "He comes up with extraordinary ideas and then the return on the money is well."

Articulate and philosophical, the filmmaker says that for him, documenting the subjects of human civilization and the lives of great people is a "sensitizing" experience. McGreevy, whose animated ascent still betrays a hint of a less refined past, seems happiest when in the company of the distinguished and famous. He is also renowned for his tenacity. He talked Sovietist Gennadiy Gerasimov into permitting nude in the Sydney, Australia,

with his bawdy beginnings. A London war orphan, he describes his first 27 years as "totally devoid of culture." He left school at 15 and saved money for a boat ticket to Canada. Settling in Toronto in 1952, McGreevy went to work for the CBC as a mail clerk. A voracious reader and a fast learner, he quickly progressed to cameraman, eventually securing a producer's job in 1970 on *Most Alive*, the popular series on religious issues. After becoming an independent filmmaker in 1978, he also ventured into directing theatrical productions. As well, he edited *Warriors*, a book about his close friend Glenn Gould, who died in 1982.

McGreevy is now putting together the financing for a new 40-million series that would follow celebrities in places that have influenced their lives. The similarities to *Cities* are obvious. Said McGreevy: "It is a fortuitous opportunity to rub shoulders with interesting, insightful people." With his impressive list of credits, John McGreevy is swiftly becoming one of them.

—ANN WALSHLEY in Toronto

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### LIVING

## Upgrading the datebook

Michael Williams, the 39-year-old cohost of Canada's pay TV music channel, MuchMusic, once tried to regulate his chaotic schedule with a hodgepodge of diaries, address books, wallet, index cards and dog-eared scraps of paper. With homes and offices in Montreal and Toronto, he depended on his wife, high school teacher Theresa Krutik, to ensure that he was in the right place at the right time. Finally, Krutik gave her husband a 1992 Pifafax time planner last Christmas, and Williams reports that the gift "saved my marriage."

In one sense, the pocketbook-sized planner is nothing more than a fancy leather binder. Yet it is more than a status symbol, like the crowded Rolodex address card files it often replaces, and its high end relies on the message that Pifafax owners have achieved success. For each owner as photographer Lord Seawater, the planner's versatility can be tailored to include such specialized requirements as a record of photo exposures or blank manual staffs—makes it invaluable. The Pifafax is not new, it has sold slowly but steadily in England since 1960. But sales took off in 1984 when Los Angeles businessman Roy Kramer obtained North American marketing rights from Pifafax's London-based parent firm. Last year alone U.S. sales reached \$22 million. And while Canadian sales totalled only \$31,000 during the same period, Kramer expects to tri-

ple that figure this year. Among the users of the system are film stars Donald Sutherland and Diane Kruger. Pifafax's popularity is largely due to a choice of 400 loose-leaf inserts which can be used to chart everything from capital gains to golf scores—all within covers ranging from leather-bound editions (the only model now available in Canada) to silk-finish, padded, snake, shark and an 1800 astro-astro version. And when Kramer complained that she had no place in her Pifafax to keep money, Kramer added a leather "Big Coin and Currency Holder" to his market line. After Nova Scotia-born Sutherland requested that you note for his Pifafax, Kramer produced "on Thank you Notes." There are even "Pifafax Posters" in the United States, where people discuss organizing their Pifafaxes and design new inserts.

Clearly, the high cost of organization does not deter Pifafax owners. Said Williams: "If you have all that information at your fingertips, you'll make that \$225 back sooner than you think—and more." Still, Pifafax does nothing more than reinforce an owner's conviction that he or she has attained success. Stated John Durek, director of Talking Canada's London, England, office: "If you have a Pifafax with an empty address section and nothing in the diary, you haven't arrived."

—CYNTHIA BROOME in Toronto

### TELEVISION

## A challenge to the military mind

DEFENCE OF CANADA  
(CBC, Mon. 8, 9 and 10)

Canadians are justifiably proud of their performance in two world wars. But as journalist Guy Sayer (War) points out in his provocative new three-part CBC TV series, *Defence of Canada*, the country's involvement in global struggles has had less to do with defending Canadian borders than with fulfilling obligations to its overseas allies. Marshalling impressive historical footage of past wars—as well as interviews with veterans and such notable Canadians as former United Nations ambassador George Ignatyev—Dyer raises a critical issue: can Canada afford to go on delving its military commitments in a global arena? His conclusion is a firm but quiet "no." In his cool, low-key style, he argues that Canada's war efforts have not only demanded sacrifices disproportionate to the country's size, but its continuing role in military alliances contributes to the risk of nuclear holocaust.

Dyer's arguments run counter to the prevailing wisdom in Ottawa and Washington, but he makes a strong case. In the first of the series' hour-long programs, *A Long Way from Home*, he clearly identifies two conflicting strands of thought about Canada's involvement in foreign wars. The predominant attitude has been conditioned, Dyer demonstrates, by the country's colonial past, since the *Boer War* in 1899, Britain's requests that Canada also join Canada's. But there have always been Canadians—particularly in Quebec—who questioned fighting so far from home. One disillusioned First World War infantryman tells Dyer: "There's only one reason any of us went there, and that was, unprepared ignorance." Indeed, repugnance about Canada's foreign involvement is evident even in government. Dyer shows how Prime Minister Mackenzie King labored to minimize the sacrifice of Canadians during the Second World War.

Dyer's program pays full tribute to the courage of those who died in the conflicts, but he goes too far when he claims that "the Second World War was not a moral crusade against evil," but a simple power struggle. Overlooking the real threat of fascism does him little credit. Still, on the whole, Dyer is convincing when he says that small countries such as Canada must tread carefully if they are to avoid becoming cannon fodder for the superpowers.

argues that it may also be contributing to the risk of nuclear war. Dyer claims that despite Ottawa's official refusal to participate directly in the American Star Wars programme, the Canadian Armed Forces would inevitably co-operate with their American counterparts.



Dyer questioning a commitment to global struggles, outlining the risk of nuclear holocaust.

freely or otherwise.

Despite its admirable role in the United Nations peacekeeping force in the Middle East and Cyprus, Dyer says that Canada has spent most of the Cold War serving American military ambitions. Three hundred and twelve Canadians died in the Korean war, a conflict which U.S. Secretary of State Dean Acheson later admitted was pursued mainly to increase domestic defence spending. Dyer also points out that during the 1962 Cuban missile crisis the Canadian minister of defence, Douglas Harkness, actually developed Prime Minister John Diefenbaker by putting Canada's Armed Forces on full alert at the Americans' request.

Those incidents, presented with chilling matter-of-factness, leave little doubt about why the ultimate masters of the country's Armed Forces really are: Canada has often shaped its military policies to comply with American undertakings, says Dyer, in the third program, *The Space Between*, and he

terprets under the North American Aerospace Defence Command (NATO) agreement they would help identify and shoot down Soviet bombers and missiles heading under the Star Wars screen by flying over Canada.

Dyer claims that the best course for Canada is to withdraw from NATO and NATO and take responsibility for its own defence. He claims that military alliances usually lead to war, and that by pulling out Canada can help reduce the paranoia and tension that feeds the nuclear arms race. His argument raises more questions than it answers, but it is a fitting conclusion to a daring TV series. In the nuclear age, the question of the world's survival has become paramount. The *Defence of Canada* offers the heartening hope that Canadians—no often the followers of other countries' generals—can assume leadership in breaking the stalemate of terror.

—JOHN KENNEDY

# A triumphant return to Wonderland

National Ballet of Canada dancers took a fanciful but rewarding journey last week—down the rabbit hole and through the looking glass. The occasion was a glittering world premiere at Toronto's O'Keefe Centre of Alice, a complex and colorful

stammering Oxford mathematics professor, Charles Dodgson—harbored for 30-year-old Alice, daughter of a colleague. One day in 1862, while having a picnic with Alice and her two sisters, the 30-year-old Carroll sensed them by improvising the scenes which later

became Alice's Adventures in Wonderland and Through the Looking Glass. Carroll also wrote a satirical poem reminding that day, *Child of the Pure Unbroken Broom*. More than a decade ago those words inspired an American composer, David Del Tredici, to create compositions based on Carroll's books. One of his pieces, *Child Alice, Part I: In Memory of a Summer Day*, used the poem as part of the text for a 1980 work for soprano and orchestra. It earned Del Tredici a Pulitzer Prize in music and because the score for Tetley's ballet.

Instead of simply re-constructing Alice's adventures, the new dance work creatively examines the confusing byways of memory. Tetley's style is suggestive and laden with the free-floating associations of a dream. Alice begins with Carroll (Ros Harrington) and young Alice (Katherine Glasco), who shares the role with Sabine Allen (Klein).

older Alice (Karen Kain) and her husband (Peter Ottmann) enter and dance in wistful counterpoint to the younger couple's exuberance. Responding to the sad, reflective tone of Carroll's poem and Del Tredici's score, Tetley's choreography shows both the food of Carroll's affection for a little girl and the way in which this unrequited romance troubled the adult Alice.

In contrast to that haunting message, British designer Nadine Bayley's costumes are sheer playful delight. One of her most remarkable creations is The Caterpillar's swirl of green

onion and stretchy fabric, which ensembles Peter Ottmann's nervous acrobatics. But Alice's success belongs chiefly to Tetley, who has woven such creatures cleverly into his analysis of the story's central relationships. In a trio for Carroll, the Mad Hatter (Jeremy Ransom) and the White Rabbit (Owen Montague), Tetley has the three dancers echo each other's movements, suggesting that Carroll expressed his love through his characters. On opening night the leading dancers gave performances which were a fine reflection of Tetley's rendering of Carroll's feverish fantasy world. Harrington and Glasco convincingly evoked the crosscurrents of Carroll's and Alice's shared love. But it was Kain, with her brooding presence, who most forcefully conveyed Tetley's bitter-sweet vision. In a telling final scene, Kain, playing an elderly Alice, slowly crosses the stage while contemplating a vision of her childhood. Suddenly, the White Rabbit interrupts her reverie and enticingly drags a white glove. Bewildered, the old lady stoops to pick it up. For Tetley, the desire to capture lost youth never disappears.

—MICHAEL CRAWF

## MACLEAN'S BEST-SELLER LIST

### Fiction

- 1 The Mammoth Hunters, Axel (1)
- 2 Texas, Michael (1)
- 3 Lie Down with Lions, Fiallet (1)
- 4 The Headmaster's Tale, Atwood (1)
- 5 What's Bred in the Bone, Devere (1)
- 6 Contact, Ryan (1)
- 7 Secrets, Steel (1)
- 8 Cockeye, Gaudin (1)
- 9 London Match, Deighton (1)
- 10 The Fourth Deadly Sin, Sanders (1)

### Nonfiction

- 1 Company of Adventurers, Newman (1)
- 2 Straight from the Heart, Christian (1)
- 3 How to Paradise, Thompson (1)
- 4 Fit for Life, Goodman and Diamond (1)
- 5 Success, Success with Nemo (1)
- 6 Calligraphy, Pinchney with Betton (1)
- 7 Dances in the Light, MacLennan (1)
- 8 Tenure, Rogers and Lewis (1)
- 9 Goddess: The Secret Lives of Marilyn Monroe, Zimmerman (1)
- 10 Eliza and Me, Pinsky with Herman (1)

(1) Previous best-seller



Montague, Glasco, a tangled web of memory and passion

work created for the company by the internationally acclaimed American choreographer Glen Tetley. His new ballet examines the tangled web of emotion linking the rustic wonderland that Lewis Carroll created for a young girl, Alice Liddell, to the real-life, adult Alice and her husband, Ronald Blampson. Combined with Tetley's psychologically rich choreography, the lavish production and passionate performances from the dancers made the event a triumph for the National Ballet.

In Alice, Tetley explores the love that Carroll—the pen name for a shy,

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# An Oilperson's limitations

By Allan Fotheringham

The male of the species is magnificent, in his ignorance. Rumpair stupidity issues forth from his ample brain cells. Birdies elude him because, *Obviousness* covers his grey matter like a thick fog. He rules the world and builds engines, collects compliments and arranges Bay Street and Wall Street takeovers, but he remains dumb, blind and emotionally crippled. It is no wonder women pay him.

Our examples on the shore's coast today are the high pushers of the Oil Patch. The men who have made Calgary what it is today. Oilmen are their title. Oilmen is their life, oilmen Oilmen is their magazine, must reading for the big better-and-egg men in the oil and gas industry. It contains, among other things, along with the gossip, promotions, analysis, editorials and resistance, 10 full pages, tightly spaced, giving the location, depth, projected depth and other incomprehensible data on every well sunk and abandoned in Alberta, Saskatchewan, Manitoba, British Columbia and Ontario. Lake. These guys are serious.

No secret that Oilmen has named Pat Carney, our one and only minister of energy, the Oilman of the Year. The quotes below in *Oilman*. As the, ah, sags explain, it is the first time in seven years the distant honor has been awarded, since the boys could never reach a consensus. This year, as they confess, the choice was unanimous. They love Pat Carney. They call her "the architect of restoration" and quote approvingly of the description of her in a *Time* magazine supplement as her portfolio's "most professionally competent minister in decades."

Yeah. But just one problem. The Oilman who said her won't drink with her. Such is the usually recognized culture of Calgary, the Oilman of the Year is banned from all their clubs. Can an unwashed Pat Carney get into her favorite Biff's notch at the Petroleum Club? Not. Can the most professionally competent minister of her time

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drink glasses with the butter-and-egg men at the Ranchmen's Club? Forget it. The Oil Club? You're out of your tree.

She's on the cover of *Oilman*. She's on the cover of *The Globe and Mail* and *Report on Business Magazine*. But can she make it to the Petroleum Club's washroom in her own right? Are you kidding? She's not "Oilman" of the Year. She's "Oilman." And only men can pee in right at the Petroleum Club. Robbie Sparrow, a peep and attractive Calgary MP who is the chairman of the



standing committee on natural resources, is not even the right to pee at the Petroleum Club. Women are allowed to attend with escorts under certain circumstances. But they are not allowed to be members. One can perhaps understand, although not condone, Carney and McDonnell being barred from the tree houses of Toronto and Montreal Bay Club?

This is 1986, a mere 14 years short of the next century, and men are still plotting their fraternity games. It is a corporate criticism of the 50-year-olds who have a tree house from which girls are excluded. A cattle on the hill, from which all those they fear are forbidden. Most men don't want women at lunch, for fear their association will be exposed. The minister of energy of Canada may be the most educated person in her field, but we don't want her for lunch. Some shrewd Ottawa type points out that no one has done more for Alberta in the past year than Carney and Barbara McDonnell, the minister of

state for finance. Yet neither is allowed membership in the club in Calgary that are run by all the men they have benefited as much by their liberating policies which freed the Oil Patch. Let us take Pat Wain as an example. The most beautiful thing ever to come out of Wain's, both, she is Ottawa's highly respected bureau chief in Ottawa. Let us say she was banned from ever entering the National Press Club. How is she to develop her contacts? Pick up her information? Mix with the politicians and lobbyists and journalists and several servants who are her best? The same goes for Carney. The major deals and friendships and information-gathering are done at the Calgary male club. They put her on the covers of their magazines, but not in the bar.

What one woman calls "the male blue-rose set" at the Vancouver Club is viewed a safe zone where women, after 6:00 p.m., were allowed to enter—with male escorts. When Pauline Jewett, the *Nor* who is the external affairs critic for her party, was president of Simon Fraser University in Vancouver, her perks included a club membership. She chose the University Club in downtown Vancouver, which included females—and the spirit really hit the fan. When the Tories took over Ottawa in the Joe Clark House of History, the party's Godmother of patronage, Jean Fournier, brooked the first female member of the male-bastion Bidsa Club—under threat of government wrath since it owned the site. Two months later the club burned down.

We might get some action here soon. The Tories' tough new deputy minister of finance, Stanley Hart, being a Jew just might have some views on the matter of the law rubbing members of private clubs that have discriminatory clauses being allowed to write off their expenses. The Prime Minister, one Bill Clinton, is known to have said with a wink and a nod that he has never been the member of any exclusive club in his life except the Progressive Conservative party of Quebec. Carney says "my club is the PM's." Watch out, you guys in the tree house.



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